S. Hrg. 98-484 Pt. 1

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

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PART 1—(Pages 1-1281)

**Congressional Witnesses**
**Department of Energy**
**Department of the Interior**
**Holocaust Memorial Council**
**National Capital Planning Commission**
**National Endowment for the Arts**
**National Gallery of Art**
**Nondepartmental Witnesses**

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# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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TUESDAY, FEBRUARY 22, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Stennis, and Burdick.

## NONDEPARTMENTAL WITNESSES

Senator McCLURE. The subcommittee will come to order.

Good afternoon. This is the first day of hearings on the fiscal year 1984 budget estimates for programs under the jurisdiction of the Interior Appropriations Subcommittee. Today and Friday, February 25, we will receive testimony from public witnesses regarding the budgets for the Bureau of Indian Affairs, the Indian Health Service, the Navajo and Hopi Indian Relocation Commission, and the Indian education activities of the Department of Education.

Each witness has been allocated 5 minutes. It is necessary for you to remain within that limit if we are to hear from all scheduled witnesses. When your name is called, please come to the witness table. Give one copy of your prepared statement to the reporter and two copies to the staff.

As all written statements will be included in the record, you are asked to summarize your testimony in your own words.

Our first witness this afternoon is the National Indian Health Board, Caleb Shields.

### STATEMENT OF CALEB SHIELDS, NATIONAL INDIAN HEALTH BOARD

ACCOMPANIED BY:

- LINDA BOSSARD, STAFF PERSON, NATIONAL CONGRESS OF AMERICAN INDIANS
- JOHN O'CONNOR, PUBLIC INFORMATION OFFICER, NATIONAL INDIAN HEALTH BOARD
- DONALD LaPOINT, SECRETARY, NATIONAL INDIAN HEALTH BOARD

Mr. SHIELDS. Mr. Chairman, my name is Caleb Shields. I am a councilman from the Senayaan Sioux Tribes, Fort Peck Reservation. In addition I am the chairman of the Montana Intertribal Policy Board, representing here the National Congress of American Indians and the National Tribal Chairmen's Association.

Mr. Chairman, I have with me today, accompanying me to the witness table, on my far right, Linda Bossard. She is a staff person on health concerns for the National Congress of American Indians. Next to me on my right is John O'Connor. He is a public information officer for the National Indian Health Board. And to my left is Donald LaPoint, secretary of the National Indian Health Board.

Mr. Chairman, we are prepared to give a 5-minute summary overview of our testimony and then we would like to submit for the record our prepared testimony for this congressional hearing.

I would like to at this time, Mr. Chairman, have Mr. Donald LaPoint, the secretary of the Indian Health Board, to give the 5-minute overview.

Mr. LAPOINT. Our testimony will address what we feel are several fundamental weaknesses with the administration's proposal.

First, however, we wish to to express our concern with the overall trend of health care for Indian people in recent years. Although there has been a slight increase in the IHS budget in the last 3 years, the agency's capability to deliver quality health care has declined substantially. Last year, for example, IHS estimated that its capacity to deliver services was reduced by more than $50 million from the 1981 level, and in the last few weeks of the fiscal year IHS hospitals and clinics were nearly forced to shut down due to inadequate funds.

Medical inflationary costs have cut the purchasing power of contract care by more than 30 percent. In addition, as reductions are made in other State and Federal health programs more and more Indian people are turning to IHS for their health care, placing an increased pressure on medical staff and other resources that have already been pushed to the breaking point.

As a result of these basic budgetary problems Indian tribes are being asked to consider major policy changes, such as the institution of new eligibility criteria, and the elimination of certain health services that could drastically alter the way health care is delivered to our people.

As Interior Secretary Watt so ironically pointed out in his January 18 statement, the health care status of Indian people is the poorest in the United States, and we simply cannot afford the cuts that would occur by reducing the service population or eliminating specific services.

We urge the committee to continue its efforts to address the tremendous unmet health care needs of Indian people and to fulfill the intent of the Indian Health Care Improvement Act by providing the resources necessary to deliver quality care to all native Americans.

We now wish to turn our attention to several specific items in the 1984 budget request for Indian Health Services.

### THIRD-PARTY PAYMENTS

A highly unsettling aspect of the President's budget is that it counts upon some $70 million in medicare, medicaid, and other third-party reimbursements. We understand, that at best, Indian Health Service expects to collect $20 to $30 million in third party reimbursements in fiscal year 1983, not the $37 million as the administration estimates in its justification.

Expectations that this amount could be increased by $40 to $50 million next year are clearly unrealistic. Until now IHS has pursued collections only from medicare and medicaid.

Senator McClure. Thank you very much.

Mr. LaPoint. Thank you.

### PREPARED STATEMENT

Senator McClure. Your entire statement will be placed in the record.

[The statement follows:]

## Statement of Donald LaPoint

On behalf of the membership of the National Indian Health Board, the National Congress of American Indians, and the National Tribal Chairmen's Association, I wish to express my appreciation to the Committee for this opportunity to present our concerns on the Administration's proposed FY 1984 budget for the Indian Health Service.

Our testimony will address what we feel are several fundamental weaknesses with the Administration's proposal. First, however, we which to express our concern with the overall trend of health care for Indian people in recent years. Although there have been slight increases in the IHS budget in the last 3 years, the agency's capability to deliver quality health care has declined substantially. Last year, for example, IHS estimated that its capacity to deliver services was reduced by more than $50 million from the 1981 level, and in the last few weeks of the fiscal year IHS hospitals and clinics were nearly forced to shut down due to inadequate funds. Medical inflationary costs have cut the purchasing power of contract care by more than 30 percent in recent years. In addition, as reductions are made in other state and federal health programs, more and more Indian people are turning to IHS for their health care, placing increasing pressure on medical staff and other resources that have already been pushed to the breaking point.

As a result of these basic budgetary problems, Indian tribes are being asked to consider major policy changes--such as the institution of new eligibility criteria and the elimination of certain health services--that could drastically alter the way health care is delivered to our people. As Interior Secretary James Watt so ironically pointed out in his January 18 statement, the health care status of Indian people is the poorest in the United States, and we simply cannot afford the cuts that would occur by reducing the service population or by eliminating specific services. We urge the Committee to continue its efforts to address the tremendous unmet health care needs of Indian people and to fulfill the intent of the Indian Health Care Improvement Act by providing the resources necessary to deliver quality care to all Native Americans.

The recent pressure on IHS resources has become a major obstacle for tribes attempting to contract for their health programs under P.L. 93-638, the Indian Self Determination and Education Assistance Act. We ask that this Committee give particular attention to tribal contracting needs by assuring the availability of funds for indirect costs and for cost-of-living increases for employees under tribal contract.

Further, we request that the Committee continue its efforts to improve the existing IHS management structure and to insure that health services are delivered to Indian people in the most cost-effective and beneficial manner possible. We understand, for example, that a recent GAO study on the IHS contract care program indicated that administrative changes in that program could result in a savings of $10-20 million. We also ask that the Committee address the need for increased tribal and consumer involvement in the Indian health care delivery system by allocating a special line item for the operation of area Indian health boards and the National Indian Health Board. Through such organizations, which represent the concerns of their constituent tribes, IHS administrators can obtain the community-based advice and counsel needed to provide the highest quality health care to our people.

We now wish to turn our attention to several specific items within the Administration's Fiscal Year 1984 budget request for the Indian Health Service.

### Third Party Reimbursements

A highly unsettling aspect of the President's budget is that it counts upon some $70 million in Medicare, Medicaid, and other third party reimbursements. We understand that at best IHS expects to collect $20-$30 million in third party reimbursements in FY 1983, not $37 million as the Administration estimates in its justification. Expectations that this amount could be increased by $40-50 million next year are clearly unrealistic. Until now, IHS has pursued collections only from Medicare and Medicaid. Medicare collections are not expected to increase as IHS estimates that it is fully accessing current potential Medicare reimbursements. The policy of not seeking reimbursements from other third party payors has been tied to a fundamental tenet of Indian health services policy: that health care is offered to Indian people as part of the Federal government's trust responsibilities. It would require major legislation to change the traditional arrangement of service availability to all eligible Indians.

For example, in order to initiate reimbursement by private insurers of IHS beneficiaries, customary clauses in private health insurance policies excluding reimbursement to Federal facilities may require modification by Federal statute. And, according to the Administration, all Indian beneficiaries, not merely those with health insurance, would have to be billed. This is an administratively complex arrangement and likely a costly one to put in place. Increasing Medicaid reimbursements would require cooperation from the states and some changes in Federal regulation. Also, it seems to be a poor time to look to increased collections when, due to shrinking resources, states are applying Medicaid eligibility criteria very strictly and others are reducing the scope and level of services offered.

Aside from these issues, such a proposal to offset appropriations with Medicare and Medicaid reimbursements reflects a misunderstanding of the original intent of these funds. As specified in the authorization for these collections (the Indian Health Care Improvement Act), these reimbursements are dedicated to maintaining the quality of IHS facilities and services at accreditable levels. If the proposed offset were implemented, an immediate reduction in services would result. Consequently, facilities accreditation, and thus the future receipt of these funds, would be jeopardized.

## Clincial Services

We are gravely concerned with the heavy dependence of the Administration's clinical services budget on projected third party reimbursements. Over $62 million of the $70 million projected reimbursement total is assumed for use in the hospitals and clinics line item alone. Based on an inadequate overall IHS budget request and the inaccurate assumptions pertaining to reimbursements described above, we believe there would be significant reductions in health services to Indian people under this request.

Recent funding levels have already had a severe negative impact on the IHS and tribal health care delivery systems. Because of decreased staff, unpurchased and/or unavailable equipment, and dangerously low supply levels, IHS' professional staff have indicated that they are no longer able to provide the level and quality of health care which meets basic personal and professional standards. In addition, the limitation of Indian contract health services funds for only "urgent" and "life-threatening" conditions means that patients requiring care must wait until their condition becomes life threatening. This not only represents a denial of services but increases morbidity, thus unnecessarily adding to the risk of life threatening medical conditions.

In a number of areas, IHS has been forced to close or cut back the number of hours its field clinics are in operation. Elsewhere, hospital wings have been closed or the number of beds reduced because the staff to service them were either unavailable or not affordable. Staffing at most IHS facilities is at a critical level with little or no reserves. This reduction of staff and the inability to recruit, caused by budgetary constraints, have shifted the burden of the workload to remaining staff with a devastating effect on morale. The increased workload, longer waiting times for patients, and the postponement of care result in medical problems which may become emergencies or irreparable conditions. These factors also cause severe problems in the recruitment and retention of physicians, nurses, medical technologists, and all other health professionals. IHS currently has at least one hospital with a permanent physician staffing level of zero and other hospitals that are staffed at less than 50 percent of the authorized staffing level.

Over the last several years, IHS has experienced a loss of three to four percent annually in the mandatory rate of increase necessary to offer services of the same quality to the same population. Next year, according to IHS estimates (even assuming a health care inflation rate as conservative as five percent), its ability to provide or purchase clinical services will be reduced by $35 million from this year after the Administation's projected increases have been realistically accounted for. The proposed FY 1984 funding level and likely shortfall would drastically reduce the total range of services provided by the IHS and tribal health delivery systems as well as escalate the crisis in IHS' ability to retain its health professionals. We find this completely unacceptable.

## Community Health Representative Program

The Community Health Representatives continue to be an integral part of the tribal health care delivery system. The administration is, for the second year in a row, seeking elimination of the program, characterizing it as an activity "not central to providing medical services on reservations." However, the real nature of the CHR program is better stated by the Indian Health Service National Council of Clinical Directors. Close to 300 individual members of this group (composed of all IHS physicians) have made a plea to the director of IHS that "closure of the Community Health Representative Program would have a severe negative impact on our ability to provide a comprehensive health program for the Indian people."

They cite the following ways in which the CHRs' work compliments the Indian Health Service Program:
—CHRs work at the home level with Indian people and provide direct health care;
—CHRs provide culturally-oriented health education and strongly supplement IHS' preventative health programs;
—CHRs assist health providers in gaining access to patients in remote locations and facilitate accessibility of Indian Health Service facilities to the Indian patient; and
—Physicians in the Indian Health Service are responsible for the health program at each service unit; surveys have recently identified the lack of support services as a major frustration in achieving the level of care each physician desires; the CHR program is a strong service at the local level; and the absence of this program would adversly affect the ability of physicians to achieve a successful health program.

In appropriating funds for the CHR program in Fiscal Year 1983, the conference committee demanded a more clearly defined program. From what we have observed, Indian Health Service working in conjunction with the tribes, is responding to the Committee's directives. Earlier this year a national task force comprised of representatives from several national Indian organizations as well as senior clinical and administrative staff of IHS, worked together to establish clear guidelines and goals suitable for the program as it exists today.

The group cited the previous method of CHR resource allocation based solely on population as inadequate and recommended that future allocation be based on three major parameters: individual program compliance with "scope" criteria; individual program compliance with "effectiveness" standards; and the relative unmet community health needs among tribal communities. Further, the task force recommended that no more than 15 percent of the CHR program resources be expended for administrative management, supervisory training, or other non-direct service support. In other words, 85 percent or more of CHR resources should be expended to provide patient or community health services. The task force thought that to date individual CHR programs have complied with the broad national directives that have been in existence to guide CHR program activities. However, they recommended that continued funding of CHR programs will be contingent on compliance with contract specified performance criteria and the relative unmet community health needs of tribes.

To address past criticism that the CHR program has not been fully accountable, the task force recommended development of a uniform mandatory reporting system for all programs. Reportedly, since completion of the task force's work, IHS has developed a plan of action for design and implementation of specific management systems including development of an evaluation methodology and resource allocation model.

We ask the Committee to bear in mind that the CHR program is operating with total appropriations of $29 million for FY 1983. $25 million was included within the program's line item and an additional $4 million, which finances the Emergency Medical Services portion of CHR activities, was directed from IHS' hospital and clinics budget. The Administration is seeking elimination of the entire CHR appropriation including the $4 million specified this fiscal year for Emergency Medical Services. We can only assume that the conference committee chose to provide separately for CHR EMS activities in order to assure continuity of this clearly vital activity. (Since CHR's provide more than 50 percent of the ambulance and first responder staff now working on reservations its loss would virtually eliminate these services.)

We urge continued funding of the CHR program for at least the current $29 million level and indeed encourage the Committee to consider the National CHR Association's request of an increase to $36.3 million which would allow a modest cost of living increase for these dedicated community health workers for the first time in four years. Continuation of these health care services and essential preventative health activities are critical to the health of Indian people. Additionally, in line with a recommendation of the CHR national task force, we suggest that IHS be directed to shift the CHR budget line item from the "Preventive Health" category to the "Clinical Services" category, and that its line item status be maintained.

Indian Health Manpower

IHS continues to suffer from a critical shortage of health professionals, and we therefore oppose the Administration's proposed reduction in the Indian Health Manpower program. In FY 1983, we estimate that the Aberdeen area will be 50 percent deficient in the number of doctors needed to provide adequate health care; the Billings area will be 30 percent below need and Oklahoma will have a 20 percent deficiency. The shortage of nurses is even more severe. IHS' sources for these and other health professionals are rapidly diminishing due to the overall reductions in education and other health professional programs. Indian students have relatively little outside health scholarship assistance available to them. We estimate that if current trends continue IHS will have virtually no health professional resources to draw upon by 1987.

Under the Indian Health Manpower scholarship program, we have seen significant improvements in the number of Indian health professionals serving our people. We believe this program is the most reliable source of future Indian health professionals and the best way to protect against manpower shortages in the years to come. We therefore ask this Committee to restore the $1.5 million in funding the Administration has proposed to eliminate in FY 1984 so that new scholarships will be available for Indian students under sections 103 and 104 of Title I of the Indian Health Care Improvement Act. We also urge the Committee to continue the section 102 recruitment programs at their 1982 levels, particularly the Indians Into Medicine program and the Master of Public Health programs.

Urban Indian Health Program

As reflected by the 1980 Census, approximately 50 percent of the American Indian population resides in off-reservation areas. The U.S. government played a key role in achieving this result through its pursuit of relocation in the 1950's and 1960's. But the government's ideas about Indian assimilation failed to materialize and urban Indian people remain a distinct population group with distinct problems. In establishing Title V of the Indian Health Care Improvement Act, Congress recognized that urban Indians experience a disproportionate problem of access to health services and their health needs were not being met by other resources. The 37 programs now funded under the urban Indian health activity are engaged in a variety of health care functions, ranging from the provision of outreach and referral services to delivery of comprehensive ambulatory health services.

The FY 1984 budget request proposes elimination of the urban health program under the assumption that non-reservation Indians will be eligible for services funded with alternative resources, such as block grants to states and other state and local funding for health services. However, this has not been the case; state and local resources for health and social services have been rapidly diminishing, and there is no reason to expect the situation to change in FY 1984. The urban health projects are finding that community health clinic funding, National Health Service Corps assignments, and Medicaid eligibility are all shrinking while at the same time block grant funding to Indians is limited to tribes and/or prior recipients.

The urban health programs' use of its $9.2 million appropriation (along with what other resources they have secured) to serve an estimated 300,000 population makes it one of the most cost-effective health care delivery mechanisms within IHS. We support the urban Indian health projects in their request for $9 million to allow program continuation at its present level.

## Construction

Once again the Administration has failed to request funds needed for the planning and construction of Indian helath facilities, despite the clearly documented need for new and replacement hospitals and health clinics on Indian reservations. Many of the existing IHS facilities, such as the half-condemned hospital serving the Rosebud Sioux Reservation, are antiquated and require major renovation or replacement. Despite such conditions the Administration continues to ignore this need for facility planning, construction, and maintenance. Indeed, the Administration clearly demonstrated its disregard for Indian health facility construction last year with its request to "reprogram" FY 1983 hospital construction funds to help pay the cost of salary increases mandated by the federal pay act. We are dismayed to learn that the Administation has proposed a similar transfer ($6.7 million for first phase construction of the hospital at Browning, Montana) to help cover the 1983 pay increase for IHS employees.

We commend this Committee for its past support of IHS construction activities and for its efforts to insure that the planning and construction of Indian health facilities is carried out in a rationale, systematic manner. Under the direction of Congress, IHS has in recent years built health facilities based on a construction priority system where the facilities are ranked according to the unmet health needs of the Indian and Alaska Native population. We urge the Committee to continue this systematic approach by allocating funds in Fiscal Year 1984 for the following:

1. Hospitals--In recent years planning and design funds have been appropriated for hospitals at Crownpoint, N.M.; Kanakanak, Alaska; Sacaton, Arizona, and Rosebud, S.D. We are disturbed at the Administration's continued efforts to hold up these funds, which have resulted in unnecessary and potentially costly delays in the planning and construction of these facilities. We ask that the Committee allocate first phase construction funds for these projects, as well as funds to begin construction of personnel quarters in order to assure adequate housing for medical staff when these facilities are completed. Further, we ask that the Committee provide planning and design monies in accordance with the hospital priority ranking list for hospitals at Anchorage, Alaska; Wagner, S.D., and Pine Ridge, S.D.

2. Outpatient Facilities--We request that the Committee provide planning and design monies for outpatient clinics at Kyle, S.D.; Fort Thompson, S.D., and Wolf Point, Montana. These are the three top-ranked facilities on the outpatient clinic priority construction list.

3. Modernization and Repair--We urge the Committee to reject the Administration's request to reprogram the $6.7 million in construction funds for Browning, Montana in 1983 and that an additional $4.6 million be appropriated in 1984 to complete construction of this hospital. We also ask that the committee allocate $1.1 million for modernization of the facility at Mt. Edgecumbe, Alaska.

## Sanitation Facilities

Finally, we are concerned about the Administration's failure to request funding for sanitation facilities in FY 1984. The IHS sanitation program provides essential water and sewage facilities for Indian homes and communities in order to maintain environmental standards and improve the quality of health for Native Americans. These sanitation facilities--which are a major part of IHS' preventive health efforts--have contributed significantly to the reduction of infant mortality, gastroenteritis, and other environmental health hazards. Despite the success of this program, the Administration has seen fit not to request sanitation funds for 1984. We estimate that the total amount required for IHS to construct water and sanitation facilities for HUD and non-HUD homes that will be initiated and/or completed in 1983-1984 is $47 million and we urge the Committee to address this important need.

This completes the testimony submitted by the National Indian Health Board, the National Congress of American Indians, and the National Tribal Chairmen's Association. We greatly appreciate this opportunity and we stand ready to assist this Committee in any way possible in implementing the recommendations made in our testimony.

## STATEMENT OF SHEILA WEINMANN, NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD

Senator McCLURE. We will next hear from the Northwest Portland Area Indian Health Board, Sheila Weinmann.

Mr. SAMPSON. Good afternoon. As you can see, I'm not Sheila, but I hope I will fill the bill. Mr. Chairman, I would like to summarize our statement here for the Northwest Portland Area Indian Health Board.

With me I have the chairman of the Yakima Tribe, of which I am a member, one of the foundation members of the Northwest Portland Area Indian Health Board, who represent 34 federally recognized tribes as it pertains to health in the States of Washington, Oregon, and Idaho.

In summation, we have 100,000 Indians on reservations, in urban areas, and in small communities within our delivery service area.

The 1984 Indian Health Service budget is not sufficient to provide adequate health services to our Indian population as it was funded last fiscal year.

In accordance with the highlight statement in the Indian Health Service budget justification that was submitted for the 1984 budget, they state that the request will continue to maintain approximately the same level of health services as projected for the fiscal year 1983. It also states that the Indian Health Service will not diminish its interest or support within existing resources for preventive health activities. These are encouraging words, but it is hard to see how they are borne out by the facts of a budget which eliminates the community health representative program, and the urban health programs; registers workload decreases in many of our categories; contains no funds for upgrading or replacing outdated facilities; and leans heavily upon questionable reimbursements for a significant portion of the budget.

Therefore, we oppose the integration of over $30 million in projected reimbursements from medicare, medicaid as a basis for part of the Indian Health Service budget.

There is a projected increase of 6.6 percent for contract care. The Portland area is the only area within the health service delivery area that does not have an Indian Health Service hospital. Consequently, we have to depend more on contract care.

### HOSPITALS AND CLINICS

The proposed 4-percent increase is not adequate.

Preventive health care has been addressed already.

We oppose the reduction of the CHR program and the reduction in public health nurses, which has already been proposed. As stated previously on the CHR program, there are volumes of information that we can provide that will substantiate the validity of the CHR program.

### MCH PROGRAM

We oppose the past reduction in the MCH program; the reliance upon the MCH block grant concept that tribes cannot participate in now.

### MENTAL HEALTH

The economic circumstances that we are faced with today has been an additional burden, aside from the other burdens that we face in the mental health program.

And the list goes on, as you will see within our prepared statement.

It addresses sanitation facilities.

### HEALTH ADVISORY BOARDS

We feel that the health advisory boards are a necessary mechanism for Indian consumer input into the Indian Health Service delivery system.

### HEALTH CAREERS

The reduction in health careers is coming at a time that we feel is detrimental when there was a push 2 or 3 years ago to increase the Indians within the health career and health related careers.

We have a very strong concern about the eligibility for Indian services. We feel that the confusion that has come down, at least within the last 6 months—it has changed as recently as last week on who is eligible to receive Indian health services.

I want to commend you on last year's appropriation on eliminating non-Indian spouses. I think that is a step in the right direction.

When there have been newly recognized Federal tribes there haven't been adequate funds to accompany them so they could receive the adequate services. It has been taken out of the existing base budget which has taken away from the tribes which already had been underfunded.

We would appreciate your assistance and consideration in the reauthorization of 94–437, the Indian Health Care Improvement Act.

Rather than go through the others, I would like to entertain any questions, if you have any.

Senator McClure. Thank you very much.

As you know, the elimination of non-Indian spouses was a controversial measure. I appreciate your comment. I would solicit comment from others who either support or oppose that point of view.

Thank you very much.

Mr. Sampson. We support it.

### PREPARED STATEMENT

Senator McClure. Thank you. We will place your statement in the record.

### Northwest Portland Area Indian Health Board

The Northwest Portland Area Indian Health Board, representing the 34 federally recognized tribes in the States of Washington, Oregon, and Idaho, and as delegated by the tribal governments by resolution, appreciates this opportunity to meet with you today to express our deep concern with the proposals of the administration for budget reductions and policy changes in the Indian Health Service in fiscal year 1984. Other related health issues are also addressed.

The provision of health services to Indian people is the responsibility of the Indian Health Service. This responsibility has been confirmed repeatedly by Congress through legislation, as well as through the courts. In the Pacific Northwest, over 100,000 Indians live on reservations, in urban areas and in small communities. Of these, approximately 70,000 Indians received health services through the Indian Health Service system last year, and this number will increase in fiscal year 1984. Aside from the natural population increases among Northwest tribes of over 2 percent per year, we have an undetermined but significant number of people returning to the reservations and becoming eligible for health services through IHS.

The fiscal year 1984 IHS budget is not sufficient to provide adequate health services to our Indian population. This budget will not even maintain the same very limited level of health care provided by IHS in fiscal year 1983, representing a continuing erosion of the Indian health care system which has been going on for several years.

According to the highlight statement in the IHS budget justification, "the fiscal year 1984 budget request will continue to maintain approximately the same level of health services as projected for fiscal year 1983." It also states that "IHS . . . will not diminish its interest or support within existing resources, for preventive health activities." These are encouraging words, but it is hard to see how they are borne out by the facts of a budget which eliminates the CHR and urban health programs, registers workload decreases in many other categories, contains no funds for upgrading or replacing outdated facilities, and leans heavily upon questionable "reimbursements" for a significant portion of the budget.

## REIMBURSEMENTS

We oppose the integration of over $30 million in projected reimbursements from medicare, medicaid, and third-party providers as a large part of the IHS base budget, covering such necessary expenditures as mandatory cost increases for clinical services and preventive health, staffing costs for new facilities, and the equity health care fund. This is a significant departure from past budgets and entails substantial risk. What are the contingency plans to be followed if these reimbursements fall far short of the optimistic estimates? Even if these sources were potentially liable for $70 million in payments, the workload of processing the claims is more than our present IHS staff could accomplish.

The projected collection of $40 million in medicare/medicaid funds is much larger than the amounts collected in the past. We are concerned that this estimate is unrealistic and recommend that whatever amount is collected be spent as legally mandated in Public Law 94-437—to correct deficiencies in hospital and clinic facilities to bring them up to national standards.

Although third-party collections have never been attempted, this source is projected to bring in $30 million in fiscal year 1984. IHS acknowledges that there are numerous obstacles to the collection of any significant amount of third-party payments. Some of these obstacles will require legislation to surmount. Will that be accomplished by October 1, 1983? If legislation to permit third-party billing goes into effect, tribes which self-insure their employees will be forced to drop these insurance plans, as most would be unable to afford the increased cost. Also, as we understand it, in order to make an insurance company legally liable for health services provided by IHS, the recipient of the service must also be legally liable. IHS would have to institute a system to bill individuals for IHS services. This would be an infringement of the Federal/Indian trust responsibility and an ominous precedent for the future. We oppose the use of third-party collections as a part of the IHS budget until these problems and questions have been resolved.

## CONTRACT CARE

This program is scheduled to receive an increase of 6.6 percent, representing a continuing trend of increasing contract care funding at less than half the rate of inflation in the cost of medical care. Contract health funds are already inadequate in the Northwest. For fiscal year 1983, we needed 21 percent more than our actual allocation. We have been able to receive urgent and emergent care only for the last 2 years. Since we are without an IHS hospital, Northwest Indians do not have the same access to services as do tribes in other parts of the country, who have been able to receive a full range of hospital services. The contract health care budget should be increased.

We protest any efforts to move contract health care funds into the equity health care fund subsequent to elimination of IHS services to non-Indians. There will be no surplus funds as a result of this change. Since IHS did not receive an additional appropriation when non-Indians were made eligible for clinical services, it is not logical that funds should now be withdrawn because these individuals have been declared ineligible.

### HOSPITALS AND CLINICS

The request for a 4-percent increase in appropriations is inadequate. In fiscal year 1983 the Portland area will have a deficit of $2 million in hospitals and clinics; nationwide the deficit is estimated at $28 million. The financial problems in this category are very serious. We also oppose any dependence upon expected reimbursements to fund needed mandatory cost increases. This could cause our clinics to be closed down if funds run out.

### PREVENTIVE HEALTH CARE

In the past few years, preventive services have been cut back, including the community health representative program, public health nursing, and health education. Services have been lost through the State block grant program. Our Northwest tribes are committed to preventive services as an integral, and very cost effective, part of the Indian health care system.

The CHR program is vital and must be preserved. Many Northwest reservations are very isolated, with CHR's as the only health workers. They are often on duty 7 days a week, 24 hours a day. We welcome a nationwide evaluation of this program because it will show how necessary and cost beneficial it is. However, to be objective and accurate, any evaluation should include time spent in the field with the CHR's. Training funds for CHR's should be restored; CHR's have not been able to receive any training for several years.

Maternal and child health services are also of great importance. High infant mortality rates have been brought down significantly, but they are still much higher than those in the general population. Now MCH programs are being cut back; several have closed down. This is partially due to the MCH State block grants which do not give tribes a chance at these funds. States do not use these block grants for the benefit of the tribes. The nurse practitioners in the former Northwest Indian improved child health projects should be made permanent IHS employees.

### MENTAL HEALTH

IHS and tribal mental health programs are overloaded in the Portland area. High unemployment and loss of Federal services are leading to many mental health problems. IHS mental health programs have no travel funds, so Northwest tribes without clinics cannot receive services. We oppose the program reduction in this category; additional funds are needed here.

More research is needed to determine the causes of mental problems and alcohol and drug abuse in each tribal culture and to develop prevention programs to improve Indian mental health.

### ALCOHOLISM

This extremely severe problem is worsening with the economic hard times. Program increases have been inadequate to maintain the same level of services. No new programs can be funded, as NIADA grants have gone into the State block grants. We oppose the program reduction in this important area. An increase is needed to maintain existing programs and fund new ones.

### CLINICAL FACILITIES

There are numerous old, outgrown health clinics in the Northwest which need to be replaced. Due to limited space, exams are being conducted in hallways and basements. In their present condition, many of our clinics would not pass the joint commission on accreditation of hospitals review. If the Federal Government wishes to increase medicare/medicaid collections and other third-party income, these facilities must be improved or replaced.

At present, our Northwest patients are unable to obtain dental bridges and crowns. A dental laboratory based at one of our service unit clinics would be cost effective and would increase dental services in the Northwest.

### SANITATION FACILITIES

There is a continuing need in the Northwest for sanitation facilities construction. This is an important preventive health measure which is of great importance to our tribes. Even if new housing construction is slowed, there are many existing sanitation systems which are substandard and a health hazard.

### HEALTH ADVISORY BOARDS

These boards are an important part of the Indian health care system. They provide a vital communication link with tribal governments, as well as providing an organized mechanism for advising IHS of the needs and priorities of the Indian clients and tribal governments. If these boards are lost, Indian people will have less influence over their own health care, and it will be a severe setback for self-determination. We urge Congress to support health advisory boards.

### TRIBAL MANAGEMENT/TRIBAL TRAINING

These programs are needed to assist tribes in developing their management capabilities. Northwest tribes did not receive any tribal training funds last year and none are proposed for fiscal year 1984.

Tribal management funds are very minimal and vulnerable to diversion by IHS. Many tribes now wish to take their health care into their own hands. We need these programs to help tribes improve efficiency and pursue self-determination.

### EQUITY FUNDS

The fiscal year 1983 budget requirement that $5 million be taken out of the IHS services budget to go into the equity fund is alarming. This should not be a nationwide across-the-board cut as Northwest tribes are at a lower service level than other areas.

There are problems with the administration of the equity fund in the Portland area. With the Federal budget appropriation coming so late, IHS headquarters is not sending out new equity allowances until August. The Portland area IHS then requires that tribes spend these allowances by the end of the fiscal year. This gives tribes 2 months to develop proposals, get them approved, and spend a year's allocation. This is very inefficient and disrupts continuity of care. The tribes should either be awarded this money earlier in the year or be given contracts which overlap the fiscal year.

### URBAN HEALTH PROJECTS

If any of our three Northwest urban health programs in Spokane, Seattle, and Portland closes down, we foresee a huge clientele increase in IHS and tribal clinics. We would not be able to absorb this load.

### INDIAN HEALTH SERVICE ADMINISTRATION

Our tribes are continually frustrated by our lack of participation in budget, development, and decisions. According to the Indian Reorganization Act, the tribes are to receive timely information on the budget, but this is not taking place. The fiscal year 1984 budget was not available to us until 1 week before these hearings.

Another problem related to the budget is that IHS is too far fown in the budget hierarchy. This means that too many other departments must approve every move by IHS which is inefficient and dilutes any influence tribes might have on budget and policy decisions. IHS should be moved up to the Assistant Secretary level, the same level as BIA.

For the past 5 years, IHS has not received full funding of the Civil Service Pay Act increases. Last year and the year before, over 30 percent of these increased costs had to come from funds intended for service delivery. For the 5-year period, this has amounted to in excess of $2 million in the Portland area, diminishing services for Indian patients.

IHS is having serious problems in recruiting and retaining physicians, nurses, and other health professionals. The commissioned corps is an important resource which we cannot afford to lose. The National Health Service Corps is also an important resource in obtaining medical personnel for IHS and the tribes. We are very concerned that it is being phased out. The new "private practical option" within the NHSC also reduces personnel available to IHS. Indian programs should be in the highest priority for NHSC placements.

IHS should be given reduction in force authority to deal with budget shortfalls. We deplore the necessity for this, since IHS has far too few medical personnel in Northwest clinics. However, when the budget is inadequate, it is inappropriate for the budget to go to administrative salaries, rather than direct patient care.

Long-term training for IHS personnel should not be reinstated. Staff should come to IHS fully trained and should not be educated at our expense.

### HEALTH CAREERS

There is a great need for more Indian people in the health professions, and to achieve this goal, health recruitment and scholarship programs are critical. These educational programs should be provided to Indian people as part of the Federal trust responsibility. Public Law 94–437 scholarships are very necessary to attaining more Indian health professionals. The Indian health careers opportunity programs are also very important as they motivate Indian students to seek health careers and assist them in obtaining financial aid, college enrollment, and counseling, as well as helping them stay in school. We need to assure that Indian HCOP's are funded in fiscal year 1984. There is also a great need for health careers recruitment programs directed at junior high and grade school students.

Eligibility for Indian Health Services should be determined by the tribes themselves. Recent and proposed changes in these criteria are of great concern to our tribes. Each tribe should have the right to direct its health care entitlement to those formally recognized as belonging to the tribal community.

### NEWLY FEDERALLY RECOGNIZED TRIBES

When the Federal Government restores the Federal recognition of a tribe, thereby making more people eligible for Indian health services, additional funds should be provided by IHS to serve this expanded service population. In recent years, several Northwest tribes have been restored without an appropriation. This has resulted in a decrease in services for all tribes.

### THE INDIAN HEALTH CARE IMPROVEMENT ACT

Public Law 94–437, the Indian Health Care Improvement Act, will soon be coming up for reauthorization. Work has already begun to continue and strengthen the health programs funded under this act. We will need the cooperation of the Appropriations Committees next year and in future years to obtain adequate appropriations to implement this important legislation.

Thank you for the opportunity to testify here today.

## STATEMENT OF WAYNE STEIN, PRESIDENT, STANDING ROCK COMMUNITY COLLEGE AND PRESIDENT, AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

## ACCOMPANIED BY DOLORES EDWARDS, CHAIRPERSON, NAVAJO COMMUNITY COLLEGE

Senator McClure. Next we will hear from the American Indian Higher Education Consortium, Wayne J. Stein.

Mr. STEIN. Mr. Chairman, thank you for having us here today.

I am Wayne Stein, and I am president of Standing Rock Community College and also president of the American Indian Higher Education Consortium.

On my right is Dolores Edwards, and she is the chairperson of the Navajo Community College and will be entertaining any questions concerning title II of Public Law 95–471, the Tribally Controlled Community College Act.

What I would like to say here today concerns the American Indian Higher Education Consortium and the tribally controlled colleges.

AIHEC represents 17 of the 18 tribally controlled colleges, including Navajo Community College.

The organization was formed about 10 years ago and started with six institutions. It now has 17 members, with a number of them being fully accredited and the remainder pretty much getting on the accreditation trail.

In previous testimony AIHEC has talked about what Public Law 95–471 would do for the colleges. We talked about the vital need for this base foundation funding for the colleges much as the States support State institutions. At that time we talked about lowering the dropout rate among Indian students, and about meeting a lot of the goals concerning accreditation.

Some of the things that the colleges have done, for example, in the very short time that they have Public Law 95–471:

In a recent study in North Dakota, for example, it was found that 90 percent of the Indian students who traveled to a non-Indian institution did not complete a 4-year degree plan. A study of those Indian students who went from tribally controlled colleges, completing a 2-year plan, and then going to a 4-year institution, non-Indian institution, over 85 percent of those people completed a degree plan.

I think that demonstrates the valuable input that the community colleges have had into the higher education system.

Another of the important things that the tribally controlled colleges have done is develop vocational education programs on the reservation which have directly affected the economic picture on the reservation. For example, on reservations where unemployment is running 50 to 80 percent, we did a recent survey of the graduates of Standing Rock Community College and found that 85 percent of those people are working on the reservation. That tells you that the 2-year institution does have a dramatic effect on the economic situation of a reservation.

But maybe more importantly than anything else, 471 has allowed the community colleges to approach the accreditation picture with some real confidence. The accreditation institutions have looked at the colleges and have seen a number of things happening.

Public Law 95–471 has allowed us to develop staff, to hire, and adequately pay dedicated staff members with the credentials that the accreditation associations want to see and our students need.

It has allowed us to develop curriculum and given us the time and the necessary resources to do that.

It has allowed us to really take a look at long-range planning for the first time. We have had some breathing room, and it has given us the time to do that.

As I've said, the accreditation agencies view 471 as our base foundation of our higher education institutions.

And it has done one more very valuable thing for the colleges as a whole. It has allowed them to develop fiscal management. Our capabilities are much stronger today because have now the time and the resources to develop adequate higher education accounting systems within our institutions.

And so you can see 471 has done a number of very valuable things for the 18 tribally controlled colleges.

One of the things we would like to do is talk about the appropriation level that we have been granted over the past 3 years. For the past 3 years it has continued to decline. We feel that the Congress and the President should look at appropriating the community colleges what it was authorized, at the $4,000 level per FTE.

Senator McClure. On top of page 2 you refer to completion rates and dropout rates. What is the dropout rate within the community college?

Mr. Stein. I can speak most strongly to Standing Rock, and it's at about a 20-percent dropout rate, and that compares to the State institutions of about 11 percent, 8 to 11 percent. But you must remember that Indian students that go to non-Indian institutions drop out at about a 90-percent rate. So that is quite an improvement over that figure.

Senator McClure. That 90 percent is over the first 2 years or over the 4 years?

Mr. Stein. That is over the 4 years that a person needs to complete a degree plan for a bachelor's.

Senator McClure. You also refer to an 85-percent completion rate of those who transfer into a 4-year school.

Mr. Stein. From a 2-year tribally controlled college.

Senator McClure. When you say completion rate, you mean to the point of a degree being granted?

Mr. Stein. Gaining a degree, a bachelor's degree in most cases.

### PREPARED STATEMENT

Senator McClure. Thank you very much. I appreciate your testimony.

Mr. Stein. Thank you, Mr. Chairman.

[The statement follows:]

## STATEMENT OF DOLORES J. EDWARDS

On a chilly morning in December, 1982, the President of Navajo Community College, Dean C. Jackson, and several of his top staff drove to the headquarters of the Navajo Tribe in Window Rock, Arizona, to ask the Tribal Council for $1.5 million. Navajo Community College needed the money just to stay afloat, to pay salaries and bills through the end of the 1982-1983 school year. It was the third time since 1979, when the federal government slashed the college's annual allocation by more than half, that the college had gone, hat-in-hand, to the tribe for rescue. In all, since the cut, the tribe had kicked in more than $4 million to keep Navajo Community College alive. But no one in the car that morning had any sure sense what the Tribal Council would do; the tribe itself was already reeling from devastating federal budget cuts, reservation unemployment had reached 80 percent and poverty was so widespread that higher education seemed a luxury to some. But with its eye fixed on a fast approaching with awesome demands, the Council dug deep in its pocket that day and again saved the dream of a Navajo-owned-and controlled institution of higher learning.

But the remedy was only temporary, the need only partly met. The college and its four satellite branches have remained open, but the state of crisis which has plagued the school for three years still persists. The harsh mountain winters have taken a terrible toll on the physical plant at the college's main campus at Tsaile. The school's financial woes and rumors that it could be forced to close have driven potential students into other institutions. But perhaps worst of all, at a time when the college should have been preparing to meet staggering new demands on it, Navajo Community College has careened from one crisis to the next -- able to do only the most rudimentary planning for its crucial role in the Navajo future.

The dream of a Navajo college, run by and for Navajos, was born on the heartaches of thousands of Navajo students who left the reservation for college education, only to return home, failed and confused, beaten by alien institutions insensitive to their needs. Since 1969 when the school opened in a delapidated one-time Bureau of Indian Affairs boarding school at Many Farms, the college has been driven by the notion that Navajo students would flourish in an environment that coupled postsecondary instruction with an emphasis on Navajo cultural history and a Navajo educational perspective. There is no question that the concept has worked. About 70 percent of Navajo Community College students enter with sub-survival-level scores on achievement tests -- with many having failed in previous, off-reservation college experiences -- and about 80 percent come from families earning less than $3,300 a year. Still, half of Navajo Community College's graduates go on to four-year colleges and universities and more than 80 percent of these students graduate. Navajo Community College now counts among its graduates doctors, lawyers, PhDs, principals, teachers superintendents, mechanics, secretaries and nurses, and there is a huge demand, right on the reservation, for the skills being developed at Navajo Community College.

And the demand can only grow. There are about 160,000 Navajos -- 87,000 of them school aged. The average age on the reservation is 19. Despite the budget cuts, which have severely limited the college's capacity meet the needs of this rapidly expanding student pool, Navajo Community College already is reaching out to provide what educational services it can. Hundreds of Navajos have returned to school at Navajo Community College's satellite campuses for additional training in their fields. The school's nursing division is turning out RNs in three years to meet the huge demand for nurses on the reservation, and an allied health program is in the works -- to train people for jobs which cannot now be filled in the reservation's health delivery system. Navajo Community College is on the cutting edge of bringing computer technology to the Navajo Nation, training operators and providing expertise for new systems throughout the reservation. (Last year alone, Navajo Community College trained 125 managers and secretaries on word processors which were being installed in reservation chapter houses.) Navajo Community College's legal program is training advocates for the Navajo Tribal legal system and its Diné Center is providing training for the treatment and handling of the mentally retarded and handicapped. The college's teacher education program, working in conjunction with Northern Arizona University and the University of New Mexico, is turning out teachers whose ranks are still thin on the Reservation.

Navajo Community College's cable television system is seeking funding to build a micro-wave transmission system that will bring television to remote areas of this West Virginia-sized reservation, provide 21st Century communication capabilities (including teleconferencing) to its hospitals, government and emergency agencies and provide programming in the Navajo language for the first time anywhere -- which, experts agree, is crucial to the development of the Navajo Nation. In addition, to deal with the endemic problem of reservation unemployment, the college will - if funds become available -- set up training programs for industries that can flourish on the reservation such as home building, electronic component assembly, auto refurbishing and wood-stove manufacturing.

Of course, Navajo Community College's future success depends on money. Budgetary limitations have severely limited Navajo Community College's capacity to provide educational services where the demand is greatest -- in off-campus programs. For instance, despite a huge demand, Navajo Community College has been unable to establish a construction and building trades training program for Navajos in the Page, Arizona, area where $150 million to $200 million in construction projects are in the works. Although the Navajo tribe has made a strong positive commitment to the college, the crucial question is, as it's always been: Will the federal government shoulder its fair share of the burden for this unique and important educational institution.

From the start, the federal government has been a fickle funding mate. In 1971, Congress adopted the Navajo Community College Act (Public Law 92-189) which was to provide permanent funding to Navajo Community College at a level comparable to that of Bureau of Indian Affairs run postsecondary institutions such as Haskell Junior College in Kansas, the Institute of American Indian Arts in Santa Fe and the Southwest Polytechnic

Institute in Albuquerque. But BIA chose never to fund Navajo Community College at anywhere near the level of the schools it ran. Between 1971 and 1978, Navajo Community College received an average of $2,500 and $2,600 per student from the BIA, about one-third the BIA expenditures at its own schools.

Frustrated by what it saw as the BIA's disregard of Congress' intent on the original legislation, Navajo Community College in 1978 got a new legislation to increase the school's funding. By the, following Navajo Community College's example, some 17 other Indian tribes had established their own community colleges, and the new legislation, Public Law 95-471, funded all the Tribally Controlled Community Colleges with a new FTE based funding formula. Navajo Community College in 1979 had received $6.4 million from the federal government; the new legislation added $4 million to the pie -- and then gave forks to 17 other schools. The net effect on Navajo Community College; Its 1980 federal allocation was slashed from $6.4 million to $3.1 million, which in the ensuing years rose to $3.8 million due to increased enrollment.

Staggered by the budget cut, Navajo Community College returned to Congress asking for new legislation basing its funding entirely on need - not the FTE formula. In 1980, that legislation, Public Law 96-374, was adopted and signed into law. But as of this date, the BIA has not promulgated the rules and regulations necessary to put that law into effect -- even though Navajo Community College submitted a proposed set of rules and regulations long ago.

The initial effect of the slash in federal dollars was devastating to Navajo Community College. The $4,000 per FTE the college receives from the federal government, or $3.8 million in 1982-1983, covered just 53 percent of Navajo Community College's annual $7.8 million budget - the rest coming from Tribal appropriations, student fees, tuition, housing payments and miscellaneous, on campus income generators. Navajo Community College also administered some $1.5 million in federal grant programs (not included in the $7.8 million budget figure) during the 1982-1983 school year but those monies were invariably used for high-cost, low enrollment programs specifically designed to address the unique needs of the Navajo people. The notion that grant money could be used to replace federal FTE dollars is fallacious; if federal grant money were cut off tomorrow, Navajo Community College simply would discontinue these specialized programs and would still need more federal dollars for its basic academic program.

A budgetary crisis is often self perpetuating and Navajo Community College has been no exception. Rumors the school would be forced to close resulted in an enrollment decline of about 900 students in the 1981-1982 school year -- which further decreased the federal contribution. Some 80 college employees have lost their jobs and Navajo Community College has instituted harsh cost-cutting measures, frozen staff salaries and deferred plant maintenance. The library no longer opens on Saturdays; the flow of new books is down to a trickle. The counseling staff has been reduced by nearly 75 percent and student activities on the remote Tsaile campus have been virtually eleminated -- as have most varsity athletic programs.

Still Navajo Community College's effort to mitigate the damage have been effective. Administration recently overhauled the college's organizational structure to emphasize increasing enrollment despite rising costs and diminishing funds. Enrollment has begun rising again -- and is about at pre-1980 levels -- and the college has begun building a base of financial support outside the federal government. Last year, in addition to substantial allocations for operating expenses, the Tribe awarded the college $600,000 to begin its own development foundation, and the foundation has developed innovative campaigns to solicit funds from the private sector -- one, a direct-mail appeal from the renowned Navajo painter, R.C. Gorman, a one-time Navajo Community College instructor.

The financial crisis has served to strengthen the ties between the college and the Navajo tribal government. In January, for example, the college hosted a three-day orientation for the new Navajo Tribal Council to smooth the transition of the new tribal administration, headed by Mr. Peterson Zah. The college has begun routinely hosting important tribal meetings and seminars. Navajo Community College has asked the tribe provide a permanent funding base for the school both by listing Navajo Community College as an annual budgetary line item and by making the school a "small but significant" party to the yield of all future mineral leases, royalties and severance taxes. Navajo Community College also has asked the tribe to forgive a $1.5 million loan used to construct the school's main administration building, the Ned Hatathli Center.

But the tribe's capacity to help is severely limited.

President Reagan, in his Indian Policy, declares that his administration intends to foster "tribal self government" and "government to government" relationships between the tribes and the federal government. In the past, he said "excessive regulation and self-perpetuating bureaucracy have stifled local decision making, thwarted Indian control of Indian resources, and promoted dependency rather than self-sufficiency."

"This administration intends to reverse this trend by removing the obstacles to self-government and by creating a more favorable environment for the development of healthy reservation economies," the President said.

Navajo Community College believes that the college is absolutely crucial to accomplishing the President's goal on the Navajo Nation. Can Navajos govern themselves effectively without successfully educating their talented young? Can a healthy Navajo economy be developed without training for its young in the complex, in many cases, highly technical ways of the modern economic world? No other educational institution is more essential than Navajo Community College in facilitating true self government and rapid economic development in the Navajo Nation. But increased federal aid is crucial. This year, Navajo Community College asked that the federal government begin funding Navajo Community College at the levels Congress intended -- specifically that BIA be required to promulgate the rules and regulations for Public Law 95-374. Until that's accomplished, Navajo Community College will continue making do with the same level of funding as in previous years for basic operation, $3.84 million -- even though that's not even enough to cover basic instructional needs. The college also seeks a $1 million appropriation to reverse the steady deterioration of its physical plant at Tsaile, to replace old, unsafe vehicles and buy needed tools and machinery. In addition, Navajo Community College seeks an appropriation of $4.82 million to the BIA for renovations at its one-time Shiprock Boarding School, now home of Navajo Community College's Shiprock campus. The college asks that on completion of the renovations the facility be turned over to the Navajo Tribe as Navajo Community College's permanent home. Navajo Community College also asks for an appropriation of $487,420 to Navajo Community College to cover costs of operating and maintaining the facility (including personnel, utilities and materials), heretofore born by the Bureau of Indian Affairs.

NAVAJO COMMUNITY COLLEGE

Tsaile
1983-1984 Funding Request

| | |
|---|---|
| Operation | $3,840,000 |
| Facility Renovation | 700,000 |
| Capital Outlay | 300,000 |
| TOTAL ------------ | $5,140,000 |

Shiprock
1983-1984 Funding Request

| | |
|---|---|
| Renovation, 172,844 square feet (to BIA) | $4,822,679 |
| Operations, Maintenance | 487,420 |
| TOTAL------------- | $5,310,099 |

FACILITY RENOVATION: The deterioration of Navajo Community College's $25 million physical plant at Tsaile has been particularly painful for the Navajo people. Set in rugged pinon forest on a high plateau with panaramic vistas of nearby mountains and haunting red-rock cliffs, Navajo Community College was designed with particular sensitivity to Navajo culture and heritage. It's red-brick buildings were designed as hogans, the traditional 9-sided Navajo structure, and gives the entire campus a harmony with the Navajo Way. But now roofs leak, paint is worn and peeling, and pot holes, cracked floors, faulty wiring and inadequate furnaces are commonplace. The college actually needs a total of $1,870,856 to accomplish needed renovations (detailed list enclosed) but given the huge demands on the federal budget, Navajo Community College seeks just $700,000 for 1983-1984. Most of that money will be spent re-roofing campus buildings, the rest for basic renovations necessary for safety. None of the money will be used for purely cosmetic improvement.

CAPITAL OUTLAY: Navajo Community College seeks $300,000 but needs $443,485 to replace automobiles, trucks, machinery and tools (detailed list enclosed). Since the slash in federal funds, Navajo Community College has been forced to use virtually all its money for operations; thus old automobiles and trucks haven't been replaced, needed tools haven't been purchased and machinery -- some necessary for vocational technical courses -- has been held together by the proverbial chewing gum and bailing wire. These vehicles and machines have become increasingly unsafe.

SHIPROCK, Operations and Maintenance: During the past year, the burgeoning Navajo Community College campus at Shiprock has been housed in the long unused BIA boarding school. Navajo Community College's Board of Regents has asked the BIA to renovate the 30-year-old facility and then turn it over to the Navajo Nation as Navajo Community College Shiprock's permanent home. The $4.8 million renovation cost is less than half replacement cost. BIA presently spends $487,420 or $2.82 per square foot annually, to operate and maintain the facility, and Navajo Community College asks for a permanent annual appropriation at the same level to cover those costs. In effect, the appropriation amounts to no more than a transfer of government funds.

Although these monies will help Navajo Community College recover from the devastation of previous budget cuts, they will in no way solve the fundamental financial crisis at the school.

Navajo Community College recognizes the need for governmental belt-tightening and is moving rapidly to develop new, non-governmental sources of funding. However, the college ultimately will never be able to play its crucial role in the development of the Navajo people without a more serious and stable commitment from the federal government. Between 1970 and 1980, the population of the Navajo Tribe increased by one-third -- 50,000 new Navajos. History has repeatedly shown that no matter what agencies and governments do to persuade Navajos to seek higher standards of living elsewhere, Navajos almost always return to this barren, wind-swept corner of the world that is their home. Simple common sense tells us that for the Navajo Nation to survive and flourish, the Navajos will have to turn to themselves, to develop an efficient, equitable, economically stable society right on the reservation. And no institution is more important to that development than the Navajo Community College.

We need your help.

## STATEMENTS OF WAYNE J. STEIN

The Standing Rock Sioux Indian Reservation, located on the west bank of the Missouri River, consists of approximately 2.3 million acres. The climate is arid with an average rainfall of 15 inches per year, and temperature range from 100 degrees in Summer to 40 degrees below zero in winter.

Transportation and communication are problems on the reservation. There is no public transportation and distance between communities is great. Only a few highways cross the region. Service roads maintained by the Bureau of Indian Affairs and counties are poor and often impassable in winter and spring. Because of generally low income levels, few people have telephones. Rural isolation, then, is characteristic of the reservation.

There are 5,781 American Indians, mostly of the Hunkpapa band of the Teton Sioux, living in the area. Of these, 2,716 are under the age of sixteen. Approximately 5,000 non-Indians reside within or near the reservation boundary.

Indian and non-Indian populations differ. The Indian population is younger then the non-Indian population, and it is increasing more rapidly. According to 1970 Census figures, the median age for North Dakota Indians was 16.4 years. The Indian population of North Dakota more than doubled between 1960 and 1980, and increased over 50% during the last decade alone. The statistics on poverty for the Standing Rock Indian Reservation point to some of the more harsh realities of reservation life. In a 1978 Census up-date for the Tribal Overall Economic Development Plan, it was found that 46% of the potential reservation labor force was unemployed. Accurate informatin on Indian income is limited; however, according to figures in 1977, average Indian per capita income was 25% of U.S. per capita income. High unemployment and low incomes can be attributed, in part, to inadequate education.

Given the information presented in the preceding paragraphs, it is clear that Standing Rock Reservation is fairly typical in that it is remote, poor, and without a great deal of hope for the immediate future.

One solution to the problems that fact this reservation is to provide quality higher education at local sites so that individuals have options to remain at home or obtain the skills required to leave the area.

Standing Rock Community College (SRCC) is a small tribally controlled community college located on the Standing Rock Sioux Indian Reservation in North Dakota and South Dakota. SRCC is a candidate for accreditation with the North Central Association of Colleges and Universities.

Course offerings consist of a basic two-year liberal arts program, a business education program, vocational education programs, an agricultural education program, and upper division courses in conjunction with Minot State College (Minot, North Dakota). The College also offers Adult Education courses for the reservation.

SRCC has been operating since 1972 and presently has an enrollment of 260 students with an FTE of 210. SRCC also owns and operates the Sioux County newspaper and assists the Tribe in various projects such as a Irrigation Project, CETA training program, and workshops.

SRCC has fulfilled a previously unmet need on the Standing Rock Reservation. This is reflected in the number of graduates it has produced since 1976. Most of the graduates had only SRCC to turn to for higher education because of job commitments, family obligations, and geographic and cultural isolation.

The impact in numbers for 1975-1982 is as follows:

| | |
|---|---|
| • Associate of Arts Degree | 77 graduates |
| • Associate of Science Degree | 19 graduates |
| • Bachelor of Science Degree | 39 graduates |
| • Nursing Certificate | 15 graduates |
| • Clerical Certificate | 4 graduates |

SRCC's impact on its community will continue to be positive and productive.

The major problem of the past which beset SRCC was the lack of a stable funding source. The everyday worry of paying bills and meeting payroll continually circumvented the need to follow a long-range plan. Without a stable funding source SRCC would have begun to stagnate and the local initiative and interest which started SRCC would not have been enough to prevent stagnation in these times of economic hardship.

Public Law 95-471, the Tribally Controlled Community College Assistance Act, was the fiscal relief so desperately needed by the tribal community colleges. SRCC has begun to develop a long-range budgeting and planning process which has true meaning. Other long-range budgets and plans were done in the past but were changed so often because of unstable funding that they became meaningless.

Some of the immediate positive effects of Public Law 95-471 were felt in the following areas:

1. Staff: SRCC is able to hire more and qualified instructional staff. Previous instructional staff had been severely overloaded in their course load and many part-time instructors were needed. Now more full-time instructors are on board and the need for part-time instructors has been reduced. This brings continuity and a better learning environment to SRCC for its students.
2. Accreditation: SRCC has been able to work more diligently on the recommendations from North Central Association for full accreditation.
3. Curriculum Development: SRCC has now the time and administrative staff to focus on projects which upgrade present and develop new curriculum for the students' educational needs.
4. Instructional, Administrative, and Support Staff Development: Public Law 95-471 has allowed SRCC's staff to take the opportunities offered to upgrade their present skills. This greatly enhances SRCC's staff's ability to do a better job for the students and the community.

As can be seen by the few examples stated above, PL 95-471, has been the stabilizing force need by SRCC. PL 95-471 funds make up approximately 55% of the total budget of the college. The other sources being compative federal grants which have a one to three life, student registration which is very limited, and some state year to year grants for Vocational Education.

It must be stated that the passage of PL 95-471 by Congress has greatly enhanced SRCC's effort to gain full accreditation status. North Central Association puts a great deal of emphasis on the stable funding base of an institution.

SRCC states for the record its recommendation that Congress and the President fund it and other tribally controlled community colleges at the $4,000 per/FTE figure authorized by PL 95-471 in this budgeting cycle. These funds would go towards the further development and improvement of the tribally controlled community colleges. It must be remembered that SRCC and other tribally controlled community colleges are their people's most viable option to retain and insure a better life and economic future for their tribes.

Public Law 95-471
Tribally Controlled Community College
Budget Need Projection for Fiscal Year 1983

| | | | |
|---|---|---|---|
| I. | Personnel | | $641,067. |
| | A. Full-time | 531,093. | |
| | F/B 16% | 84,974. | |
| | B. Part-time Instructors | 20,000. | |
| | C. Instructional Material | 5,000. | |
| II. | Board Expenses | | $ 10,500. |
| | A. 8 Members (per diem/travel) | 10,500. | |
| III. | Housing | | $ 3,000. |
| | A. SRCC obligations | 3,000. | |
| IV. | Travel | | $ 32,600. |
| | A. Faculty/Administration | 30,000. | |
| | B. Repairs | 2,600. | |
| V. | Consultants | | $ 25,000. |
| | A. T & TA | 25,000. | |
| VI. | Office Expenses | | $ 21,500. |
| | A. Supplies | 9,000. | |
| | B. Postage | 2,500. | |
| | C. Printing | 8,000. | |
| | D. Advertising | 2,000. | |
| VII. | Graduation | $ 4,000. | $ 4,000. |
| VIII. | Student Activities | 3,000. | $ 3,000. |
| IX. | Capital Outlays | | $ 35,000. |
| | A. Vehicle | 22,500. | |
| | 1. Ins. car - 10,500. | | |
| | 2. Maintenance truck - 12,000. | | |
| | B. Xerox machine | 7,500. | |
| | C. Farm/Ranch Equipment | 5,000. | |
| X. | Miscellaneous Expense | 2,000. | $ 2,000. |
| XI. | Equipment repairs | 2,000 | $ 2,000. |
| XII. | Donations, gifts, Dues, Registration fee | 3,500. | $ 3,500. |
| XIII. | Building maintenance | | $ 87,000. |
| | A. Utilities | 58,000. | |
| | B. Insurance | 13,000. | |
| | C. Supplies | 6,000. | |
| | D. Repairs | 9,000. | |
| | E. Others | 1,000. | |

| | | | |
|---|---|---|---|
| XIV. | Telephone | 10,000. | $ 10,000. |
| XV. | Library | 15,000. | $ 15,000. |
| | OPERATIONAL TOTAL: | | $895,167. |

| | | |
|---|---|---|
| I. | Special Needs (Construction) | |
| A. | Bullhead, South Dakota | $ 48,000. |
| B. | Little Eagle, South Dakota | 48,000. |
| C. | Wakpala, South Dakota | 48,000. |
| D. | Cannonball, North Dakota | 48,000. |
| E. | McLaughlin, South Dakota | 48,000. |
| | TOTAL: | $240,000. |

GRAND TOTAL BUDGET PROJECT F/Y '84------------------ $1,135,167.

## OPERATION BUDGET JUSTIFICATION
Fiscal year '84

The budget prepared by Standing Rock Community College accurately reflects the operational and special needs of the institution. Based upon the expected Spring of '83 FTE count of 200, Standing Rock Community College expects approximately 200 FTE for the 83/83 academic year.

The dramatic growth SRCC has experienced over the past two years from an FTE count of 124 in 1981 to 200 in 1983 illustrates two points: (1) There is a real need for the services of the community colleges in these times of massive re-training in our county, and (2) The operational budget needs of Standing Rock Community College are real and should be met through the authorization given in PL 95-471.

Personnel: This line item provides SRCC with its core administration, full-time instructors, librarian, and part-time instructors. It also includes all fringe benefits and instructional needs of the administration and faculty.

Board Expenses: This line item provides for the basic needs of Standing Rock Community College's governance.

Housing: Standing Rock Community College's miscellaneous obligations to its various faculty in the area of housing.

Travel: Travel is an absolute must for SRCC which provides instruction at seven locations on the Standing Rock Sioux Reservation. Also, some travel is necessary off-reservation for various professional meetings, national meetings, etc.

Consultants: The need for intensive consultation is upon SRCC as it approaches its full accreditation visitation in the winter of 1984. SRCC must prepare itself for a most rigorous academic evaluation by the North Central Accreditation Association.

Office Expenses: Standard needs for providing efficient administration at Standing Rock Community College

Graduation and Student Activities: These are Standing Rock Community Colleges' efforts to provide students with the basic funding to be involved with their college.

Capital Outlays: Vehicles: Standing Rock Community College must consider the replacement of its vehicles which are used for instructional travel and maintenance.

Miscellaneous Expenses: All Standing Rock Community College uncalculated fiscal needs which show up throughout the year.

Equipment Repairs: Standard need for a small operation.

Donations, Gifts, Dues, Registration Fees: Standard outlay for an educational operation.

Building Maintenance: SRCC's main campus building is covered by this line item. The expense is higher than expected because of the excessive heating and cooling needs of an educational building located on the plains of North Dakota.

Telephone: Normal expenditure.

Library: SRCC has a real need to improve its library's ability to serve the growing needs of its students. This also becomes more important as SRCC approaches the full accreditation mark of 1984.

Construction: SRCC provides instruction at seven locations on the Standing Rock Sioux Reservation. The only facility presently operated by SRCC is located at Fort Yates, North Dakota. This facility functions as the center teaching facility and campus for SRCC. The other locations are borrowed facilities in the communities served. This is becoming a major problem as the expense of these borrowed facilities goes up. To plan efficiently for the future, SRCC must begin exploring the options of building its own facilities in the outlaying communities.

These facilities would be small, efficient instructional units. They would have one large classroom, a small office space, and sanitary facilities. At this time, facilities of this nature would serve SRCC well.

Mr. Chairman and members of the Committee, my name is Wayne Stein and I am President of Standing Rock Community College and the American Indian Higher Education Consortium.

Today I'm here as spokesman for the Indian tribal colleges which are members of the A.I.H.E.C. Also with me are several Tribally Controlled Community College Presidents from geographic areas which have a heavy concentration of Tribally Controlled Community Colleges and the President of Navajo Community College which makes up Title II of P.L. 95-471.

The A.I.H.E.C. was formed in 1972 by six Indian community colleges with a view towards mobilizing a concentrated effort to deal with developmental problems common to them all. A.I.H.E.C. has grown to seventeen members and represents all but one of the Tribally Controlled Colleges in the United States in 1983.

In a large sense, the underlaying precepts of this organization are to promote, foster, encourage or implement programs for the overall betterment of postsecondary education for American Indians. The focus of A.I.H.E.C.'s activities is on community college development.

In previous testimony, A.I.H.E.C. and it's members have testified that they considered the assistance of the Tribally Controlled Community College Act as vital to the growth of higher educational opportunities for Indian people. We further stated that if funding were available, the drop-out rate for Indian students would be reduced, and that the nontraditional student would be better served. We also stated that our institution would have an impact on the economic development of our reservations.

We look back over the years, and find that these statements of goals have been judicious. The drop-out rate among Indian students is much lower in the Tribally Controlled Community Colleges compared to public and private non-Indian institutions. In a recent study done in North Dakota for example, it was found that the non-Indian Higher Education Institutions had a drop-out rate approaching 90% for Indian students scheduled to complete a degree plan. For Indian students completing a two year degree plan at a Tribally Controlled Community College, and transferring to a four-year non-Indian Institution, there was an 85% completion rate.

Most of the Tribally Controlled Community Colleges have also developed Vocational Education Department to serve the non-traditional and non-academic orientated student. These students, combined with returning four year graduates, have produced startling but positive results economical on the reservations. With unemployment running at 50 - 80% on most reservations, Tribally Controlled Community College graduates are employed at an 85% rate on the reservations.

P.L. 95-471, Tribally Controlled Community College Act, has made a major contribution to the stability and effectiveness of the Tribally Controlled Community Colleges. It has allowed the colleges to do many important tasks such as:

1. Staff - The colleges are able to retain and attract many highly dedicated instructors with impeccable credentials.
2. Curriculum Development - The colleges now have the staff important to the development and upgrading of curricula for their students' educational needs.
3. Long Range Planning - The 471 base operational funds have given the Tribally Controlled Community College's Boards and Administrative staff the necessary breathing room so important in the development of long range plans for the colleges.
4. Accreditation - And very important, 471 has given the support Tribally Controlled Community Colleges needed in convincing the Higher Education Accreditation Association that Tribally Controlled Community Colleges are long term and viable higher education institutions for their people. Tribally Controlled Community Colleges have made significant progress in the past three years towards accreditation with the majority being candidates for accreditation and four being fully accredited.
5. Fiscal Management - 471 has allowed Tribally Controlled Community Colleges to strengthen it's fiscal capabilities by developing sound financial systems, reporting systems, policy manuals, faculty manuals, accounting manuals and so forth.

This brings me to a most important contribution of P.L. 95-471. Without this funding our colleges would have no base operational funding, and all of the above would not have taken place at the pace or level of excellence it has. The Tribally Controlled Community Colleges are eligible for other funds granted by the federal, state and tribal governments, but these funds are in cycles and for very specific tasks and don't contribute much to the base operation of the colleges. Tribally Controlled Community Colleges other sources of funds such as tuition payments and gifts are at a low or non-existent level due to the low income populations they serve, and the embryonic stage of endowment structures at the colleges.

Based on the above, A.I.H.E.C. recommends to Congress, that the Tribally Controlled Community Colleges be funded at the $4,000/per FTE level authorized by Congress in the enabling legislation of P.L. 95-471. The Tribally Controlled Community Colleges have made significant strides in delivering quality education to their students, and further development must continue at the colleges in meeting this real unmet need of Indian people.

I appreciate the opportunity you have provided me to present my comments and recommendations, and invite you to visit our schools at any time, and learn first hand what goes on in the Tribally Controlled Community Colleges.

## STATEMENT OF IVAN L. SIDNEY, CHAIRMAN, HOPI TRIBAL COUNCIL

ACCOMPANIED BY:

CLIFF OMI, HOPI TRIBAL COUNCIL MEMBER
MR. BOYNE, HOPI TRIBAL COUNCIL

Senator MCCLURE. The next witness is Ivan L. Sidney from the Hopi Tribe.

Mr. SIDNEY. Thank you, Mr. Chairman. It is an honor to be here before the committee on behalf of the Hopi people.

I would like to introduce to you on my right Mr. Cliff Omi, a Hopi tribal council member, and also Mr. Boyne with the law firm representing the tribe.

Mr. Chairman, we are making history today, and I say that because the first Hopi who came to Washington, D.C., came for the purpose of obtaining educational opportunities for the Hopi people. It has taken approximately 24 years to obtain a Hopi Junior/Senior High School.

We recommend to this committee that $31.1 million be appropriated to complete the construction of the high school.

We feel that to obtain self-determination education is the most important. The Hopi Tribe is one of the very few that does not have a high school on its reservation where every day Hopi students are traveling approximately 160 miles roundtrip to school every day.

Also, another major concern to the Hopi Tribe is the 1980 Navajo and Hopi Settlement Act. It provided in the bill that the Indian Health Service give the highest priority to a medical facility. This has not been done. We recommend strongly to the committee that funds be appropriated, that the planning and designing of the medical facility be expedited and completed so that the Hopi people will enjoy and utilize the health opportunities on the reality of the hospital.

These are the two main issues that I come before you on, Mr. Chairman, and I won't take too much of your time. But I reemphasize the need for the Hopi High School and also the Hopi medical complex.

Thank you, Mr. Chairman.

Senator MCCLURE. Thank you very much.

We are still, as I understand it, aiming for a capacity of 800 students. That redesign brought it down, is that correct?

Mr. STEIN. Yes; we have been arguing on the numbers. It was originally planned at 860 and recently brought down to 800.

Senator MCCLURE. And that is the basis upon which your request is made?

Mr. STEIN. We strongly recommend the 860 figure.

Senator MCCLURE. I understand there is $6 million carryover and the 1984 budget has $15 million in it. You need the difference between those two figures, or approximately $9 or $10 million additional. We hope to be able to get that money into a jobs package, if there is one, because we understand this could go to contract late this spring and get people on the job late this spring or early this summer.

Mr. STEIN. Thank you very much.

### PREPARED STATEMENT

Senator McCLURE. Thank you. We will insert your statement in the record at this point.

[The statement follows:]

### STATEMENT OF IVAN L. SIDNEY

My name is Ivan L. Sidney, chairman of the Hopi Tribe.

I welcome the opportunity to appear before this committee to present testimony on behalf of the Hopi Tribal Council, the Hopi Tribe, and its people.

The request contained in this testimony is to be directed to: Agency: U.S. Department of the Interior, Bureau of Indian Affairs; and U.S. Department of Health and Human Services, Indian Health Service.

Appropriations: Construction appropriations—fiscal year 1984. Request for $31.1 million to continue and complete construction of the Hopi Junior/Senior High School. Request $2.5 million to begin architectural and engineering phase of the Hopi medical facility.

It is an honor to be here before you to provide testimony in hopes of securing funding for two major concerns of the Hopi Tribe.

The first contacts made by our forefathers to Washington was to request for assistance in securing educational opportunities for the Hopi people. For that reason, we are making history today. I am once again appearing before you to request that a lump sum appropriation be made for the construction of the Hopi Junior/Senior High School.

As of late 1979, the schematic phase of the proposed school facility was completed, awaiting appropriations to begin the construction phase of the project. Any further progress was halted by the facilities construction and operations improvement development (FCOID) who mandated the Hopi Tribe to completely redesign the entire facility.

The delay of over 19 months in the approval of the reprograming of funds to allow for the redesign has been costly with inflation rapidly escalating. One factor contributing to the delay is FCOID's disagreement with the Hopi Tribes enumeration of the base population to be served by the proposed Hopi Junior/Senior High School.

It is very important for the committee to note that the original project was designed around a base population of 860 Hopi students with a potential for 1,000 students. To authorize reprograming of funds for the redesign FCOID reduced the base populaton to 800 Hopi students, and 8 percent decrease. However, FCOID is not proposing a 20-percent decrease in the total estimated construction cost by unrealistically using the 1,000 potential student population of the original project as being the count decreased to 800.

The delay of over 24 years has left us vulnerable to change in circumstances and policy resulting in still further delay. Inflation continues to increase construction cost, thereby adversely affecting the quality of the facility. The Hopi Tribe, therefore, pleads with this committee to prevent any further decrease in the total estimated construction cost.

Any further delay in making the Hopi Junior/Senior High School a reality, and to continue the practice of sending Hopi youth off reservation to distant boarding schools will continue to have a dramatic impact on the family unit and the social development of the Hopi youth.

A complete education program on the Hopi Reservation will have a tremendous impact on the economic and cultural solidarity of the Hopi people. The Hopi people have long recognized that education is the principle means of attaining self-determination, and, therefore, have so long dreamed of acquiring a high school on the reservation. President Reagan's recent Indian policy of self-determination can certainly be attained through education.

Another matter upon which I apear before you today is the need for a new medical facility on the Hopi Indian Reservation.

In accordance with guidance and directives from the U.S. Indian Health Service, the Hopi Tribe completed the first program information document (PID) as the Hopi health complex feasibility study. Developed as an outgrowth of the Hopi tribal specific comprehensive health plan. In March 1981, IHS headquarters concurred with the methodology and data presented in the feasibility study. This was the first PID which presented both the private health care sectors and the Indian Health Services planning methods for population, facilities, and staffing.

Subsequently in July 1980, the Hopi and Navajo Relocation Amendment Act (Public Law 96-305) was enacted directing the HHS to assign the highest priority to the Hopi Medical Center. The Hopi Tribe a people with a great respect for the law felt assured that their dreams of a new medical facility would soon become a reality.

The Hopi Tribe with the support of the Phoenix area Indian Health Service for the Hopi health complex requested for $800,000 in design moneys for fiscal year 1981 supplemental and remainder of the design funds for fiscal year 1982. To the dismay of the Hopi people, for 1981 IHS did not request planning or construction funds for the project.

The Hopi Tribe is currently prepared to proceed with the architectural and engineering phase of the project. This appropriation is needed immediately to conduct said services for the proposed medical facility, ancillary buildings, and housing units. Based on the November 1981 cost estimates plus 15 percent inflationary factor, approximately $2.5 million is needed to begin the schematic phase.

We have appeared before this committee on these topics on numerous occasions in the last 6 years. We believe that our arguments justify the completion of a junior/senior high school and a medical facility on the Hopi Indian Reservation have been heard and well-received. Our argument today is for a full appropriation of $31.1 million to complete construction of the Hopi Junior/Senior High School, and $2.5 million to begin the architectural and engineering phase of the Hopi Medical Center.

I urge you and your committee to favorably act on these requests. I would like to thank the committee for giving us the opportunity to voice our concerns. We would also like to encourage members of the committee to contact the Hopi Tribe if they have any questions regarding the health and education of the Hopi Tribe. We would be most pleased to forward interested committee members additional information regarding the tribal plan for the education of Hopi youth, and the comprehensive health plan of the Hopi Tribe.

## STATEMENT OF RONNIE LUPE, CHAIRMAN, WHITE MOUNTAIN APACHE TRIBE

## ACCOMPANIED BY MICHAEL WATSON, MORRIS AND MUELLER

Senator McClure. The White Mountain Apache Tribe, Ronnie Lupe.

Mr. Lupe. Mr. Chairman, my name is Ronnie Lupe. I am the chairman of the White Mountain Apache Tribe.

The tribe itself numbers close to 9,000. Our reservation is located in the central part of the State of Arizona on over 1.6 million acres.

On my immediate left here is Michael Watson of the firm of Morris and Mueller.

In 1910 the Bureau of Indian Affairs started a plan to construct the Canyon Day irrigation project, and also the construction of a dam called Miner Flat Dam.

After several years the Bureau finally appropriated $1.5 million in 1982 to begin that project, and then in 1983 they assisted the tribe with another $3.1 million to continue with the project. We are here, Mr. Chairman, to request an add-on of $12 million which will complete the project in time.

As we have pointed out on those pages that we have given you, additional costs have accumulated throughout the years due to the delays and also the economic situation.

However, the White Mountain Apache Tribe has continued vigorously throughout the years, and we have just recently started to initiate this project.

As you can see there, the total cost of the project will be $18,400,000.

The Miner Flat Dam will do a number of things for the White Mountain Apache Tribe in terms of economic development, jobs, and through development of our agricultural endeavor on our reservation, along with our recreational resources and also the cattle industry on the reservation.

The enhancement of economic opportunity for the tribe through the use of the hydroelectric development will also increase the revenue to the tribe, which again will keep in line with the government-to-government relationship announcement made by the President of the United States. We will initiate self-sufficiency for the tribe and continue to strive for independence for our people in terms of existence.

As you can see, the good intention on the part of the Bureau of Indian Affairs back in 1910 is now being initiated enthusiastically, jointly with the Bureau and our consultant on the left and the tribe.

Hopefully you will assist us in the appropriation of the $12 million add-on that we are requesting today, Mr. Chairman.

Senator McClure. Thank you very much. We will be glad to look into that very carefully. As you know, that would be an addition to the budget request that has been made so far. I don't necessarily hold out much hope that we can do it, but we will take a very close look at it.

Senator McClure. Thank you very much.

Mr. Lupe. Thank you.

[The statement follows:]

## STATEMENT OF THE WHITE MOUNTAIN APACHE TRIBE

### SUMMARY

This request by the White Mountain Apache Tribe is for funding to complete the construction of the ongoing Canyon Day irrigation project. The project will be built to include 3,000 irrigated acres and to include construction of the Miner Flat Dam. That project will cost $18,400,000 when completed. Of that amount, $1,880,000 has been used to construct the initial phases of the irrigation project, and 885 acres have been, or will be irrigated, at the start of the 1983 irrigation season. Additionally, $4.6 million have been appropriated for construction of the Miner Flat Dam. To complete that project, funding in the amount of $12 million is needed to provide hydropower generation and construction facilities to irrigate the full 3,000 acres.

For over 100 years, the water resources of the White Mountain Apaches were not developed. That fact is undeniable, although the Salt River arises on my reservation, and we have received virtually no benefit from that stream. History will tell you that, when the Apache wars were ended by peaceful negotiations between my tribe and the U.S. Army, there was a commitment to us that our reservation would be maintained as a permanent home and abiding place. That commitment by the United States can be fulfilled only by providing the tribe with means pursuant to which it can fully develop its water resources and thus become an economically viable community. There is no more valuable asset in southwestern United States than the waters of the Salt River and the tributaries of that stream which arise upon, traverse, or border the Fort Apache Indian Reservation the lands of which my tribe has occupied from time immemorial.

It is shocking that the United States has waited to fulfill its commitment to the White Mountain Apache Tribe until the closing years of the 20th century. Only by financial assistance from the national government will that economic development of our water resources be accomplished.

The plans which I am proposing here were first formulated in 1910. It was not until 3 years ago that the Bureau of Indian Affairs commenced assisting us in the development of our water resources by the initial funding of the Canyon Day project, the development of which we intend to expand by at least 3,000 acres if the appropriations we here request are granted. It is also important that the Bureau of Indian Affairs, in the fiscal year 1982, provided us with the initial funding for Miner Flat Dam for which I am requesting funds to complete.

By the development of the Miner Flat Dam and the 3,000 additional acres of irrigated land, the White Mountain Apache Tribe will be well on its way toward the additional economic stability so greatly needed on our reservation.

An important element in the plans my tribe has developed toward its economic future is an aggressive program to stop the disastrous soil erosion on our reservation, which is directly attributable to the Government's mismanagement of our reservation during the last 100 years. For many years the Government permitted unrestricted grazing on our reservation by non-Indian livestock owners as a result of which the natural forage on our reservation was destroyed with the attendant soil erosion which, if not arrested in the immediate future, will literally wash away our reservation.

My tribe, during the last year, has undertaken an intensive program to stop the soil erosion which has been ongoing for so long. The Miner Flat Dam and the Canyon Day irrigation project are both important factors in reducing the overgrazing of our lands with the reduction of soil erosion which, as stated, must be corrected. The Miner Flat project will result in the production of large amounts of livestock feed which will greatly reduce the need to graze our lands. By that reduction, the grazing lands will have the opportunity to recover from the past abuse of Government mismanagement of our property.

It is our purpose to reseed those lands and to restore them to their original high productivity. The Miner Flat Dam and the Canyon Day irrigation project, for which I am requesting funds, are vital to bring about the economic development essential for our future.

Great benefits will necessarily accrue to the White Mountain Apache Tribe if the funds we request are appropriated by the Congress. My tribe, however, will not be the only beneficiary. As the southwest grows in population, there are ever-increasing demands for recreation on our reservation. The waters impounded by the Miner Flat Dam have a vast recreational value for fishing, boating, and similar activities. Income for the tribe will be greatly increased from those sources. Simultaneously, the people who come on our reservation will receive the benefits of those recreational facilities.

I again stress that the plans I am urging this committee to approve were developed over 70 years ago. Bureaucratic delays and a disregard for the economic future of the White Mountain Apache Tribe have deferred this development to this late date. I petition this committee to provide the funds which I have here requested.

## STATEMENT OF WARREN "RUDY" CLEMENTS, CHAIRMAN, STANDING COMMITTEE ON EDUCATION ISSUES, THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Senator McClure. We will next hear from the Confederated Tribes of the Warm Springs Reservation of Oregon, Mr. Warren R. Clements.

Mr. Clements. Mr. Chairman, I am Warren Rudy Clements, chairman of the Standing Committee on Education Issues of the Confederated Tribes of the Warm Springs Reservation of Oregon.

We have given the committee copies of our prepared testimony and our positions on a number of Indian education and timber management concerns that vitally affect our people and our tribes.

With the understanding that these materials will be part of the committee's official record, I will briefly discuss our educational concerns this afternoon.

In recent remarks to the National Congress of American Indians Interior Secretary James Watt said, "To me, the most important issue is education." But what solutions does the President's budget request for fiscal year 1984 put forth? How well does the budget translate the administration's Indian policies and rhetoric into action?

Unfortunately, there are few solutions proposed; there is little support in the budget for better Indian education services.

Let me address a few ways these deficiencies can be remedied.

First, Indian education is a trust responsibility which the Federal Government has pledged itself to support for our Confederated Tribes. The United States must remain committed in policy and practice to this principle.

Second, the Congress should maintain full appropriations for impact aid funds which serve Indian students. These funds, which are paid in lieu of local taxes, are critical to the survival of many school districts on or near Indian reservations.

Third, Congress should provide full appropriations for all elements of the Indian Education Act. It is highly ironic that simultaneously with its shift of much Indian education responsibility onto the States the Reagan budget proposes to eliminate one of the principal vehicles that States rely on to meet the specific needs of Indian students.

We oppose this proposal, and we oppose the Reagan request to rescind this year's appropriation.

Fourth, the Congress should either appropriate additional funds to the BIA for vocational education, or it should increase the Indian set-aside in the Vocational Education Act to 2 percent for distribution by the Department of Education.

Fifth, the Congress should continue its support of the efforts by Indian tribes and communities to assure that BIA boarding schools remain viable Indian education resources.

What we as Indian parents and tribal governments lack now is Federal support, both in policy and in appropriations, to enable us to chart the education services our students should receive. There is no cohesive policy coming from the Reagan administration to guide Indian education.

There is now neither leadership nor advocacy for Indian education in either the Bureau of Indian Affairs or the Department of Education. The delivery of Indian education services is hindered by a lack of planning, by a lack of expertise, and often by a lack of interest.

Despite its rhetoric, the Reagan administration offers little hope that the needs of Indian students for quality education will receive serious attention. It has set its course and it intends to pursue it, deaf to the concerns, dumb to the implications, and blind to the consequences.

Our Indian students, tribes, and communities deserve more than minimally adequate education opportunities. We ask for your support for Indian education appropriations which will assist us in reaching beyond the narrow horizons permitted under the President's 1984 budget proposals.

Thank you.

Senator McCLURE. I appreciate your statement. We will take a very close look at the interrelationship between the various funding mechanisms to get money out to educational activities. I don't believe the picture is quite as bleak as you painted, but we will take a careful look at it.

Thank you very much.

[The statement follows:]

### STATEMENT OF WARREN "RUDY" CLEMENTS

I am Warren "Rudy" Clements, chairman of the Standing Committee on Education Issues of the Confederated Tribes of the Warm Springs Reservation of Oregon. We have given the committee copies of our prepared testimony and our positions on a number of Indian education concerns that vitally affect our people and our tribes. With the understanding that these materials will be part of the committee's official record, I will be brief.

In recent remarks to the National Congress of American Indians, Interior Secretary James Watt said: "To me, the most important issue is education." But what solutions does the President's budget request for fiscal year 1984 put forth? How well does the budget translate the administration's Indian policies and rhetoric into action? Unfortunately, there are few solutions proposed; there is little support in the budget for better Indian education services. Let me address a few ways these deficiencies can be remedied.

First, Indian education is a trust responsibility which the Federal Government has pledged itself to support for our Confederated Tribes. The United States must remain committed in policy and practice to this principle.

Second, the Congress should maintain full appropriations for impact aid funds which serve Indian students. These funds, which are paid in lieu of local taxes, are critical to the survival of many school districts on or near Indian reservations.

Third, Congress should provide full appropriations for all elements of title IV of the Indian Education Act. It is highly ironic that simultaneously with its shift of much Indian education responsibility onto the States, the Reagan budget proposes to eliminate one of the principal vehicles that States rely on to meet the specific needs of Indian students.

Fourth, the Congress should either appropriate additional funds to the BIA for vocational education, or it should increase the Indian set-aside in the Vocational Education Act to 2 percent for distribution by the Department of Education.

Fifth, the Congress should continue its support of the efforts by Indian tribes and communities to assure that BIA boarding schools remain viable Indian education resources.

What we, as Indian parents and tribal governments, lack now is Federal support, both in policy and in appropriations, to enable us to chart the education services our students should receive. There is no cohesive policy coming from the Reagan administration to guide Indian education.

There is now neither leadership nor advocacy for Indian education in either the Bureau of Indian Affairs or the Department of Education. The delivery of Indian education services is hindered by a lack of planning, by a lack of expertise, and often by a lack of interest.

Despite its rhetoric, the Reagan administration offers little hope that the needs of Indian students for quality education will receive serious attention. It has set its course, and it intends to pursue it—deaf to the concerns, dumb to the implications, and blind to the consequences.

Our Indian students, tribes, and communities deserve more than minimally adequate education opportunities. We ask your support for Indian education appropriations which will assist us in reaching beyond the narrow horizons permitted under the President's 1984 budget proposals.

Thank you.

### STATEMENT OF JAMES B. FIELD, M.D., CHAIRMAN, NATIONAL DIABETES ADVISORY BOARD

Dr. FIELD. Mr. Chairman, I am Dr. James B. Field, chairman of the National Diabetes Advisory Board.

As you know, the National Diabetes Advisory Board was established by Congress to review, evaluate, and report on the Federal Government's diabetes related activity.

The Board has made the diabetes problem in the Indian population one of its major concerns.

When we testified before you last year we emphasized the major health problem that diabetes represents in the Indian population. In some Indian tribes the incidence of diabetes is as high as 50 percent of the adult Indian population.

In addition to the high frequency of diabetes, there is a very high incidence of the degenerative complications of diabetes which are responsible for the very large economic burden which the disease has for the Indian Health Service.

For example, some of the complications, such as kidney failure, amputations, and blindness, are present much more frequently in the Indian population with diabetes than in the non-Indian diabetic population.

We emphasized last year, however, that it is now possible to prevent and minimize the severity of the disease and its complications within the Indian health population. This should significantly reduce hospitalization and medical care costs for diabetes, and therefore it would be very cost effective.

We reported on the model diabetes health care program, which was first authorized by Congress in 1979, which will develop and evaluate culturally acceptable and effective preventive measures for the treatment of diabetes and its complications.

We requested a small increase in the budget last year to strengthen the model program and to begin to disseminate the valuable information which the five projects have accumulated to apply to the much larger Indian population with diabetes and to be utilized in other health service units.

We are very grateful and appreciative that you accepted our recommendation last year and have provided an additional $500,000 funding for the Indian Health Service program and diabetes.

Today I would like to report to you several encouraging advances and to identify the areas of greatest need for next year.

The Board believes that we must strengthen the model demonstration program, but especially expand the outreach effort to prevent the staggering cost for diabetes related complications which will surely happen in the future if we don't do something to prevent it.

Because diabetes is the second leading cause of adult outpatient visits to Indian health service facilities other service units are very anxious to learn from the model projects and to apply the preventive methodology to their own diabetic population.

As it now stands the model projects do not have sufficient personnel to discharge they own clinical responsibilities at their own units and still undertake the appropriate training for an outreach program which would spread the benefits to a much larger group of diabetics in the Indian population.

Additional personnel are needed to enable the health and economic benefits of the diabetes program to be disseminated to a much larger segment of the Indian population.

This outreach program will prepare Indian Health Service care providers at a much larger number of reservations to implement these programs within their own service units.

The Board would recommend that an additional $500,000 is needed in fiscal year 1984 to strengthen the model demonstration units and to expand the outreach program, which would certainly be very cost effective.

This would lead to a total budget for the Indian Health Service of $1.9 million for this program.

The model program for diabetes is very young, and changes in health status for chronic diseases such as diabetes are not achieved as rapidly, for example, as one might do for infectious diseases where the availability of a vaccine might overnight transform a serious health problem into one that is manageable.

Senator McClure. Dr. Field, you have made a very persuasive case again this year as was made last year, and we did add money last year. I don't know whether we will be able to add further this year, but I do believe we can hold that gain that we made last year. I note from your statement that there are a number of ongoing activities. More information will be available to us throughout the year before we complete this appropriation process. So we hope to treat you as well as the budget will possibly allow.

Thank you.

Dr. Field. Thank you very much.

[The statement follows:]

## STATEMENT OF JAMES B. FIELD, M.D.

The National Diabetes Advisory Board was created by Congress to review, evaluate, and report on national diabetes-related activities. In our testimony to you one year ago, we described the major health problem of diabetes among American Indian people, the high associated death rates, and the distressing frequency of complications such as amputations, kidney failure, and blindness which occur at many times the rate found in the non-Indian diabetic population. We noted that the economic burden of diabetes is escalating rapidly in the Indian Health Service. We emphazized, however, that it is now possible to prevent or reduce the severity of this disease and many of its complications. This should significantly reduce hospitalization and medical care costs for diabetes and therefore be very cost effective. We also reported on the development of the Model Diabetes Health Care Program which was first authorized by Congress in FY 1979 to develop and evaluate culturally acceptable and effective prevention and treatment methods. We requested a small budget increase to strengthen the model program and to begin the dissemination of valuable information from the five projects to other service units. We are very grateful and appreciative that you accepted our recommendation last year and provided $500,000 additional funding.

I wish today to report several encouraging advances and identify the areas of greatest need for the next year. The Board believes that we must strengthen the model program and expand the outreach effort to prevent staggering cost increases for diabetes-related complications in the near future. Because diabetes is the second leading cause of adult outpatient visits to IHS facilities, other service units are anxious to learn from the model projects. As it now stands, the model projects do not have sufficient personnel to discharge their clinical responsibilities and also undertake the appropriate training for an outreach program. Additional personnel are needed to enable the health and economic benefits of the diabetes program to be disseminated to a much larger segment of the Indian population. This outreach program will prepare IHS health care providers to implement these programs within their own service units. An additional $500,000 is needed in FY 1984 for this purpose. The Board, therefore, recommends a total budget of $1.9 million for this program.

The model program for diabetes is very young and changes in health status for chronic diseases such as diabetes are not achieved as quickly as, for example, with infectious diseases when vaccines are available. Nevertheless, early reports from the model projects are very encouraging and support the wisdom of the Congress in establishing this program.

- o Diabetes-related hospitalizations have decreased by 30% for residents of the communities served by the Albuquerque area model project, when compared to the years immediately preceeding the new program.
- o Amputations at the Claremore, Oklahoma facility have dropped dramatically since the start of the model program in that area.
- o An audit of patient records in the Ft. Totten, North Dakota area showed improved metabolic control and weight loss among diabetic patients participating in the model program.
- o Technical assistance, seminars, and other outreach activities have been conducted for some service units. However, such important outreach activities have been severely limited because of inadequate financial resources and personnel.

We are encouraged by these developments. However, considerable effort will be required to maintain the program, to evaluate the results, and to transfer benefits of treatment strategies to other service units. Many other units are encountering rapid increases in their diabetic patient caseloads.

In the absence of outreach from the model units, individual service units must develop their own intervention programs. This is an inefficient, duplicative, costly, and often unproductive use of scarce resources. However, the experienced staff of the model projects are severely hindered in their outreach efforts due to their own patient care responsibilities. A modest increase in staff for the model program would permit a greatly expanded outreach activity and would be very cost effective.

There is also an urgent need throughout the IHS for well written educational materials, adapted to the needs and environment of American Indian patients, health care professionals, tribal leaders, local health program officials, Community Health Representatives, school teachers, and other community leaders. A coordinated information network is needed to inform responsible officials of the availability of such materials as they are developed. Regular and continuing courses are especially required for the large number of physicians who enter the IHS system each year without adequate knowledge of the natural history and effective treatment of the form of diabetes found in this population.

The Indian Health Service is clearly the responsible lead agency for an effective diabetes control program in this population. We have met recently with Dr. Rhoades and reviewed with him a list of specific priority activities. He expressed his full support for the diabetes effort and has asked his staff to recommend implementation plans for selected items. Dr. Rhoades and his staff have already taken action to send approximately thirty national and regional IHS officials to a major Federal interagency conference later this week in Bethesda, Maryland, at which professionals from agencies with direct health care responsibility will have an opportunity to review advances in diabetes treatment and plan updated professional education programs. Implementation of such treatment will have a significant impact on the number of cases requiring amputations, going blind, developing kidney failure, and having the complications which frequently occur in pregnant women with diabetes. (Other agencies participating in this conference include the Veterans Administration and the Department of Defense.) This conference is an important step in overcoming a major barrier to reductions in diabetes morbidity and mortality. We encourage the Congress to provide IHS the necessary resources to implement an effective program in this area.

Clearly, the solution to the rapid growth of diabetes and its complications in any population is beyond the capability of any one organization. For this reason, the Board has initiated a major effort to enlist the expertise and resources of other professional, private, and voluntary organizations in a cooperative program with the IHS. On November 13-14, 1982, the Board met with representatives of the American Diabetes Association, the Congress of American Indians, the National Indian Health Board, the Association of American Indian Physicians, the American-Alaskan Nursing Association, the Swanson Center for Nutrition, and the IHS to discuss common goals and priority activities and to identify available expertise and other resources. Each of these organizations, and others which have subsequently indicated their desire to participate in this activity, is able to make unique and essential contributions in areas of patient and professional education, evaluation, community program development, and other elements of a successful medical and public health program.

As a result of this meeting, an ad hoc coalition is being developed to design and conduct cooperative activities essential to the control of diabetes in the Indian population. Work has already begun in areas of program evaluation, development of screening and treatment guidelines, and professional education. Coalition members will also give priority to the preparation of patient education materials, a curriculum for the training of community leaders and Community Health Representatives, and related activities. We will keep the Congress informed of future developments in this area.

A successful diabetes control program cannot be conducted by health care providers alone. A total community effort is required, similar to that which was successful in combatting other diseases in this population. The Board will encourage a broad-based and cooperative effort and will seek to involve all appropriate national and community organizations in this program. However, the major responsibility will continue to be borne by the Federal government, and by the Indian Health Service. We ask for your continued full support. The major requirements at this time are summarized below:

- The Model Diabetes Program and its five project sites must have adequate financial and personnel resources. The budget for this program in FY 1984 should be increased by $500,000 to $1.9 million.

- A strengthened outreach capability from the Model Program to other service units is essential to effectively meet their urgent needs. The major responsibility for this activity resides currently with the leadership team of the Model Program, located in Albuquerque, and the IHS Clinical Support Center, located in Phoenix. These two units must have adequate resources and authority for this critical function. The Board's recommended budget for FY 1984 includes funds for this purpose.

- Regular and continuing instruction and refresher courses in diabetes topics as it relates to the Indian population must be available for IHS health care providers. These courses should be mandatory for all new IHS practitioners and made available to IHS and contract care personnel annually.

- IHS health care policy must give priority to the application of preventive methodologies for diabetes. This policy must include necessary podiatric, opthalmologic, and prenatal services and patient education in daily self-care. Additional professional staff will be necessary. However, the small increased cost is essential and minimal in comparison to the staggering increases in the near future if such programs are not instituted.

## STATEMENT OF BENNIE COHOE, EXECUTIVE DIRECTOR, RAMAH NAVAJO SCHOOL BOARD, INC.

Senator McClure. The Ramah Navajo School Board, Inc., Bennie Cohoe.

Mr. Cohoe. Senator McClure, committee members, and staff, my name is Bennie Cohoe. I am the executive director for the Ramah Navajo School Board.

We are a contract school in rural New Mexico serving the Ramah Navajo Indians with education, health, social, and other services.

Our organization is happy to share with you our concerns and our needs in our community as well as for the other Indian people across the Nation.

I would like to caution the administration at this time. Secretary Watt, Secretary Bell, and other current administration officials have shown us that they really don't support us, since they are in the process of eliminating many of the programs which were put in place through laws and treaties for the Indian people.

Tribal consultation has not been followed. We were informed that all Americans would share in the cutbacks and the misery of the cutbacks in the budget. That is not true. It got to the point where the Indian people are hurt more than other Americans.

Ken Smith did admit that the majority of the funding for Indian program does not come from BIA or IHS. When other programs outside these agencies were cut and eliminated we lost a major portion of the funds which we have been eligible for.

Now the administration is recommending additional cuts as well as the drawbacks both in health and in educational funding, and we cannot survive the withdrawal of this funding support that is needed.

The unemployment rate is continuing to rise among the Indian nations. At the current time the Indian people are being told that this administration is making economic development a priority, but that is not the answer to our problem. I am here to tell you that without the literate, English speaking work force, labor force, the economic development will do nothing. So we need educational programs; we need funding for educational programs.

We still lack adequate medical services. People don't get sick on command and they don't get well on command. So we need funding for health services.

We also cannot provide education to our people. When Congress enacted 95-561, the BIA was supposed to have been responsible to do a certain function—they were supposed to work along with the Indian tribes and the community to develop standards through consultations. That has not begun. I think that the Interior has ignored the law that the Congress passed.

We still need some sort of a yardstick to measure the quality of education which is being provided for our children.

We have been told by administration officials that various funding is not needed. For instance, that title IV, part C, is not needed. There was a study done in the past, and that study indicated that there was much more money needed, not less. So BIA has to provide that money, and we are asking Congress to maintain funding for these programs.

There will be a misleading type of presentation done by administration on what the Indians need on their reservations, but I want to assure and inform the committee that what the administration is proposing is not really what is needed out on the Indian reservations. Right now we need funding for education more than we ever did; we need more money for the health program.

Senator McClure. Thank you very much, Mr. Cohoe.

I notice that you make reference to the standards that were supposed to be promulgated and they have not been done. We have been prodding them, too. It has been slow. My understanding is that those regulations are to be out in September of this year.

You also mention the fact that there is no consultation with you on those programs. I would expect, of course, that when the regulations are published there will be a comment period and you will have at least that opportunity if not any other opportunity to make comments upon those proposed regulations.

We will take a look very closely at the other questions you have raised.

### PREPARED STATEMENT

Senator McClure. Thank you very much. Your statement will be included in the record.

Mr. Cohoe. Thank you.

[The statement follows:]

## STATEMENT OF BENNIE COHOE

(Senator McClure/Congressman Yates) Committee Members, my name is Bennie Cohoe. I am the Executive Director of the Ramah Navajo School Board. We are a contract school in rural New Mexico serving the Ramah Band of Navajos with education, health, social and other services.

Our organization is happy to be able to talk with you about the budgetary needs of Indian people. Secretary Watt, Secretary Bell and other administration officials have shown us in the recent past that they are not responsive to the needs of Indian people as mandated by treaty and law. Tribal consultation has become a farce. We were told that all Americans would share equally in the misery that budget cuts would bring. That was not true last year and it continues to be untrue.

Asst. Sec. Ken Smith admitted that the majority of funding for Indians does not come from BIA and IHS. When program areas outside of these agencies were cut, eliminated, and block-granted to the states, we lost a major portion of funds for which we have been eligible. Then BIA and IHS services were cut. Now the administration is recommending that whole service areas be eliminated. We cannot survive such catastrophic withdrawal of support. The unemployment rate for the country which seems so catastrophic to all of you and to the country at large would be a blessing on any reservation in the country.

Indian people have been told that economic development on the reservation is the answer to our problems. I am here today to tell you that we can not provide jobs without a literate, English-speaking labor force. That means education programs. Yet you have before you requests to cut or eliminate almost every major education program through which we receive services.

Lack of adequate medical services is another hinderance to the autonomy of our community. People do not get sick or well on command. We cannot control direct patient care costs. We received a 5% cut for fiscal year 1982. Rigid adherence to the policy dictating that the '83 contract shall not exceed the '82 amount insures that we will lose an additional 5% to 10% in inflation and mandated salary increases. How can we refuse to treat properly tribal members who are ill or injured?

When Congress enacted Public Law 95-561, you wrote into the legislation that our appropriations for BIA and Contract Schools would be based on the amount needed to meet the standards which the BIA was to establish in consultation with us. Three years have passed. There are no standards. Consultation with us has not begun. Why is BIA allowed to ignore the laws passed by Congress? You are again asked to appropriate money for Indian schools without any yardstick by which to measure the quality of education which you are providing for our children. Your children's schools have to meet standards. Ours don't. Your children are assured of a minimum quality. Ours are not. The present formula rather than equalizing has created gross inequities. The base amount of the ISEP formula is far below the national average spent for elementary and secondary students.

You were told by Administration officials in the spring budget hearings that the Title IV, Part C funds are not needed for adult education. At the same time, Sec. Bell and other officials are holding without release the first comprehensive national research on the needs of Indian adults and the part that Title IV, Part C plays. That study shows that an average of 95% of the budgets of existing Indian adult education programs are derived from Title IV-C. The study clearly shows that much, much more -- not less -- money is needed.

The BIA has spent large sums of money on both independent assessments and internal assessments of the effects of preschool programing. The reports all agree. The programming should be provided. The provision for doing so was written into ISEP regulations. BIA was to consult with us and to integrate preschool into the formula in 1982. Again, we have not been consulted; nor has the programming been added to ISEP. Now the BIA has subverted their own regulations and policies by unilaterally terminating its pre-kindergarten programs for fiscal year 1984.

We will not mislead you as administration officials have done. It costs more to educate Indian children and adults than it does to educate other children and adults. We are receiving less. We are isolated. Much of our population does not speak English. We have only one paved road running through the reservation. We must use four wheel drive vehicles in the winter to bring children out to waiting school busses on the paved road. Often we cannot get children to school at all. We must remind you, however, that it will cost you far more not to provide programming sufficient to meet the needs. The children and adults who are served by our preschool, elementary, secondary and adult literacy programs can become productive self-supporting individuals. Or, they can remain on federal subsistance for many years to come at a price which is astronomically higher than the price you pay for education programs.

We are also confused by the paradoxical messages sent to us by the Reagan Administration. We are told that economic development on the reservation is the top priority. All of the sources with which to develop our economy have been withdrawn. In their place is a token appropriation which would not serve to cover the development needs of even one reservation much less all tribes and reservation communities. The majority of Indian communities do not have vast stores of minerals which can be exploited. Our primary resource is people. While the administration talks about economic development, they do not offer any advice on how we are to achieve the economic independence which they tout. There is no definitive policy. We recommend to Congress that the lead in developing such policy in concert with tribes be taken by Congress in view of the void of leadership in the administrations' officials and agencies.

We also request your assistance in meeting construction needs of Indian communities. Our cafeteria is a woefully inadequate home economics room which was converted. Repeated failure to obtain BIA priority for our middle school construction has left children attending classes in dilapidated, unsafe portables which have no restrooms, no fire exits and no handicapped accommodations.

The message to us from the administration is clear. They do not want us to succeed, to learn, and to become a part of the labor force. We hope your message will be different. The Ramah Navajo School Board asks your support for the following:

1) Approval of the budget supplement for Title IV, Indian Education sponsored by Congressman Pat Williams of Montana for FY'83.

2) Support for HR-11 sponsored by Congressman Carl Perkins reauthorizing Title IV Indian Education and other programs until 1989.

3) Defeat of the administration's recession requests for Title IV, Indian Education.

4) Reestablishment of the BIA line for preschool education at not less than the FY'82 level and compliance with regulations on consultation and inclusion into the ISEP formula.

5) Immediate establishment of school standards for BIA and Contract Schools in consultation with tribes and school boards as mandated by law and regulation.

6) An increase in the basic allotment per Indian student in the ISEP formula to $2,800 per student, and the flexibility to transfer monies among need areas to account for the divergent needs of different communities until the problems inherent in the formula can be resolved and standards published.

7) Adjust the transportation formula allotment for ISEP back to 90¢ a mile for those rural schools like ours which have exceptional transportation problems.

8) Establish a Reservation Economic Recovery Task Force to formulate policy and the necessary funding to build a stable economic base in reservation communities.

9) Increase the BIA line for reservation economic development to forty million dollars and provide for eligibility of any economically-depressed reservation community irrespective of the size of the tribe.

10) Mandate that for the hospitals and clinics line allocations be based on demonstrated program need and not consist of merely a percentage decrease from the prior fiscal year.

11) Create a contingency fund in IHS which clinics and hospitals may draw upon as needed to meet direct patient care services.

12) Provide for the inclusion of funds in IHS sufficient to insure at least minimal mental health and alcohol and drug treatment programs.

## FACT SHEET # 1 : THE INDIAN SCHOOL EQUALIZATION PROGRAM

1. ISEP Regulations were adopted on 12/10/79 by BIA.

2. Public Law 95-561 directed the BIA to establish school standards in concert with tribes and school boards upon which appropriations would be based.

3. Four years after the introduction of ISEP, no standards have been devised; nor have tribes and school boards been consulted with respect to such formulation.

4. A standard transportation allotment figured on a per mile basis has been plied without regard to the divergent conditions which make transportation much more expensive for some schools than others. (ie Ramah must use both standard school buses and four wheel drive vehicles. The buses stop at each connecting non-paved road and a waiting four wheel drive vehicle is taken on the dirt roads to transport children out to the highway in the winter.)

5. The regulations state: "Administrators and school boards should be assured that there is money in their allocation, under the ISEP, for every legitimate educational program need they have." yet schools have demonstrated in vain that this statement is false. There are schools with no music programs, no summer school programs, schools who can not match salary schedules of local districts, schools who can not offer a bilingual program.

6. The Indian Self-Determination Act and policies assures tribes that there will be the same amount available for services which are contracted as were available when directly operated by federal agency. Consistently, tribes are denied indirect cost rates which have been legally established. Tribes and Indian organizations are told that they must take away from program services in order to receive their full indirect rates. This is contrary to law and policy.

7. The cut off for small school factor in ISEP is arbitrary, capricious and results in inequities.

8. The flexibility needed to meet diverse needs of students has not been allowed. Very minor purchases require approvals from an Area Office which is 155 miles distant. Local school officials do not have the flexibility to transfer among lines to meet needs as they develop; and, thus can not make the most efficient use of funds available.

9. The .2 add on weight factor for bilingual does not even generate enough money to provide one bilingual aide per grade level for the RNSB school.

## FACT SHEET # 2: Reagan Administration Request to Terminate Title IV, Indian Education.

1. Title IV, Indian Education monies were appropriated to address discrete educational needs of Indian children and adults.

2. The administration indicates that these needs are already served through Chapter 1, Bilingual Education Descretionairy Grant Program, Impact Aid, Vocational Education 1% set aside for Indian Tribes and Organizations and other unspecified grant programs.

3. Bilingual Education in the US Dept.of Education funds very few Indian projects. Funding under this act has gone primarily to Hispanic groups. The funding level does not allow for any but the most minute portion of Indian projects to receive funding. In some years, no Indian projects may be funded. As competitive grant funds, the money goes to those organizations who have the most sophisticated grant writers.

4. Contract Schools are not eligible for Impact Aid; nor are BIA Schools. Impact Aid is to make up the tax base difference for base costs of a school -- not to provide services for special needs of students as does Part A of Title IV, and Part B.

5. The Vocational Education set aside funds only 26 projects in all of Indian Country. These projects are precisely as stated--

vocational training for adults. The Vocational money is not available for adult literacy programs and high school completion as addressed by the Federal Adult Education Act. There is no set aside in the Federal Adult Education Act for Indians. Only Title IV, Part C is available for these literacy needs.

6. Only Title IV has available monies for establishment of Alternative Schools and New Tribal Schools.

7. Part B and C monies from Title IV are the only funds available to many tribes through which they may address the educational needs of their populations by directly operating services.

8. More rather than less funds are needed for Title IV, Indian Education. The educational services provided under this department can only erratically fill program needs presently. Because of the competitive nature of Parts B and C, students may have classes for a short period of time and then be left out entirely as other projects compete more sucessfully for funds.

FACT SHEET # 3: DISCONTINUATION OF PRE-SCHOOL FUNDING

1. The BIA has decided unilaterally to terminate its pre-kindergarten programs in fiscal year 1984.

2. The ISEP regulations state that: "The Director, in consultation with tribes and school boards, shall determine appropriate weight factors needed to include pre-kindergarten programs in the Indian School Equalization Formula in fiscal year 1982. Based on a needs assessment, to be completed by January 1, 1980, pre-kindergarten programs schll be included in the Bureau's Education request......."

3. The consultation mandated by # 2 above has not taken place. Much time and money has been spent by the BIA on external and internal needs assessments. The BAnk Street Assessment as well as the BIA's own assessment have shown that pre-kindergarten programing should be provided.

4. The BIA Federal School Operations Manual (62-4 BIAM) states: ........establish procedures to facilitate planning and implementation of the Early Childhood Education as a part of the Bureau's education system......Schools operated directly by the Bureau of Indian Affairs or under tribal contract shall include the Early Childhood Education Programs."

5. The Federal Administrative Procedures Act (25 CFR 31.a.4(a) states that: "In carrying out its Education mission, the Assistant Secretary for Indian Affairs through the Director sahll...assure that no new policy shall be established nor any existing policy changed or modified without consultation with affected Tribes...."

6. By defunding pre-kindergarten programs in order to terminate them the Bureau is in clear violation of the Federal Administrative Proceedures Act and its own regulations.

7. The need for pre-school programing has been established by the BIA's internal and independent external sources.

8. The promise to tribes that such funding will be made available has been written into regulation.

9. It is neither legal nor consciencionable to abruptly terminate services for those children who are presently receiving them.

10. Such an abrupt termination does not provide parents, teachers, and communities the time to identify alternative resources which which might partially fill crucial needs and prevent family chaos.

11. It has been suggested that pre-school might better be placed under Social Services. This is a poor suggestion in that the major goal of most, if not all Indian pre-kindergarten programs is the development of English language skills and of cognition and motor skills. These are education concerns; not social service concerns, and can best be accomplished through an educational structure.

FACT SHEET # 4: The Elimination of Adult Education under Title IV, Part C

1. In spring budget hearings, Administration officials indicated to Congress that adult education needs of Indians are served through a set aside in the Federal Adult Education Act.

2. There is no such set aside in the Federal Adult Education Act. Monies under this act are block granted to the States. The States, except in rare instances, do not fund Indian projects, or serve Indian students.

3. The administration's budget request for education indicates that adult education needs for Indians can be taken care of through the 1% set aside for Vocational Education.

4. The 1% set aside for Vocational Education is not for literacy, and high school equivilency programing. Twenty-six Indian vocational projects are presently funding under the 1% set aside for job training. Literacy and English language needs must be met before the vocational programing can be provided. It appears at this point that even the vocational training will be unavailable to those few fortunate organizations and tribes who have received it as the reauthorization of Vocational Education does not provide for an Indian set aside. The monies under the new act would be block granted to States.

5. Administration officials indicated in spring budget hearing that Indian adult education needs are met by the Bureau of Indian Affairs.

6. The BIA does have a line for adult education in their budget. However, not all tribes are able to receive this funding, and not all of those who do receive it are able to use the funds for adult literacy and high school completion or English as a second language instruction. The monies are not handled in the same way that secondary and elementary funds are disbursed under ISEP. Those tribes who have not received adult education monies can not do so without eliminating social services or other life sustaining services as the total amounts available to tribes either remaim the same or are less than have been received. Under the old band analysis sytem of budgeting, tribes could place the money they were to receive in any category they wished. That is still true, but the opportunity of adding adult education is prohibited by the necessity of eliminating other programs in order to provide for adult education. Additionally, those tribes and organizations which receive adult education monies, as in the case of RNSB, are not able to use the funds for literacy classes as the monies have long been programmed for other critical services. For example, RNSB expends adult education funds for Alcoholism Programing because IHS has not had funds available to provide this program for us --although it is standardly provided for many other Indian communities.

7. The Administration tells us that we must develop the reservation economy. We can not do so without a literate, English speaking population.

Fact Sheet # 5: Clinics and Hospitals Operated under PL 93-638

1. Indian Health Service offícals under direction from the Administration have arbitrarily established operating budgets without regard for medical service needs in Indian communities. Blanket cuts in fy '82 and staunch adherence to the same amount in fy'83 irrespective of the ebb and flow of disease, accidents and natural disasters is irresponsible. The infant mortality and morbidity rates for Indian populations are the highest in the nation. The expenditures for health care do not reflect the special health needs of Indian people which are caused in part by the grim living conditions on reservations.

2. The provisions for mental health care and prevention on reservations is sparse at best; and non-existent in some communities. The history of poor living conditions, unemployment, unfulfilled government obligations, attempts at cultural genocide, poor preparation to cope with the increasing contact with a sophisticated, technological society and hopelessness have created overwhelming needs in the area of mental health. Suicide attempts are astronomically high; and, for the most part undocumented.

3. Lack of English language skills, isolation, illiteracy, and lack of exposure to modern technology make it imperative that health education and community health services be available if tribal members are to take fullest advantage of what health care is available, and if adequate prevention is to be plied.

4.) Poor diets which are nutritionally deficient, high stress living conditions, hard manual labor in harsh environments, all contribute to low immunity resulting in much higher rates of communicable diseases, accidents, trauma and metabolic diseases than are found in the general population.

5.) The unwillingness of the government to fund at a reasonable level community health services, and mental health programing, insures higher and higher incidence of disease and accidents and increased expenditures for direct health care.

6.) Rises in unemployment on reservations to fifty, sixty, seventy percent and higher has increased demands on IHS hospitals and clinics as health needs covered by health insurance from employers are terminated with the employment requiring more rather than less operational funds.

7.) The ability to contract as a provider for Contract Health Service funds independent of its status as a Public Law 93-638 Agency is needed to enable most Indian AGencies to maintain self determination over the use of In-patient care funds. AT the present time, the IHS priorities for the use of CHS funds often over-ride the needs of the Indian community for the use of care funds as seen by the Indian Organizations providing the services.

## FACT SHEET #6: FACT SHEET FOR SCHOOL CONSTRUCTION NEEDS

### I. Background

Since 1952, Ramah Navajo Community sought through the Bureau of Indian Affairs to have a day school constructed so that Ramah Navajo children would no longer have to be separated from their families to receive an education. In 1970, the community successfully negotiated a contract with the Bureau of Indian Affairs to provide educational services to Ramah Navajo children. This event served as a model for President Nixon's speech introducing the federal policy of self-determination. The establishment of the school gave rise to a commitment by BIA in early 1971 to provide planning funds for construction of a community school. In October of 1971, the educational specifications for the new school were completed, and BIA School Facilities staff assured the community that design funds for fiscal year 1973 would be requested on Ramah's behalf. For reasons never explained, the Bureau failed to request fiscal year 1973 construction funds for Ramah. The Ramah Navajo School Board traveled to Washington, D.C. in an effort to clear up the confusion, and Commissioner Louis Bruce signed a letter stating the project has the Bureau's highest priority. Recognizing the community's plight, Congress supplemented the BIA's request for construction funds in order to provide Ramah with funds in fiscal year 1973. The Program of Requirements was completed and the initial cost estimate for construction was $15,000,000. In November of 1973, Marvin Franklin, Executive Assistant to the Commissioner, promised that the Bureau would extend its "best efforts" to secure funding for the school. Since that time Congress has funded phases I, II, and III of the school's construction program.

Buildings completed are the high school, elementary school, gymnasium, kindergarten, bus maintenance shop, Library, and the educational radio studio presently under construction. In 1978, the program was interrupted by the Bureau's institution of a revised procedure for ranking the priorities for school construction funds, and when applied to Ramah, the community's needs were ranked so low as to deny any reasonable expectation of completing the campus. There are no classrooms for the middle school, the home economics room currently serves as the cafeteria, no dormitory, no business offices, no staff housing and incomplete facilities for supportive services.

II. RNSB's school construction application has never been ranked higher than 10th place. Our application was not even considered for FY'84 new construction ranking.

| III. BIA Minimum Space Standards | No. of Students | Minimum Square footage Needed |
|---|---|---|
| Dining Area: | | |
| 14 square feet per seat | 482 (Grados K-12) | 6748 |
| Kitchen Area: | | |
| 4375 square feet per Program of Requirements. | | 4375 |
| Middle School Classrooms: | | |
| 30 square feet per student | 70 (Grades 7,8) | 2100 |

## STATEMENT OF DR. WILLIAM BERLIN, EXECUTIVE DIRECTOR, ALAMO NAVAJO SCHOOL BOARD, INC.

Senator McClure. Senator Domenici had wished to be here. Apparently he was detained. He wanted to introduce the folks from the Alamo Navajo School Board. We will go ahead in his absence, assuming that he was unavoidably detained.

Dr. William Berlin.

Dr. Berlin. Thank you, Senator, for the opportunty to testify today on behalf of the Alamo Navajo School Board, Inc. It is a nonprofit educational organization operating a K through 12 day school on the Alamo Navajo Reservation in Socorro County, N. Mex.

Although the school has only been in existence since October 1979, the school board now has an operation of 309 students, including our preschoolers.

My name is Bill Berlin. I am the executive director for ANSB.

I have introduced a letter authorizing me to present this testimony along with copies of the testimony.

I am here hoping to comment on the facilities management activity, specifically the lack of operation and maintenance funding provided contract schools for custodial and repair services for our facilities, and on the construction activity, which as we understand, has been limited in the fiscal year 1984 budget of the Bureau to $14.6 million for the initial construction phase of the Hopi Junior/Senior High School.

I have some recommendations that I wish to present for consideration by the committee regarding the apportionment of the $88.9 million requested in fiscal year 1984 for facilities management and will present them after first requesting an appropriation of $8.4 million, an amount that would provide for the total construction cost of a permanent school facility on the Alamo Navajo Reservation, including complete facilities development—campus, housing, et cetera.

The committee has heard us before when we have requested various appropriations for our purposes. At this time we feel that the construction is a very necessary part of our needs at Alamo. The Bureau has given us a contract to develop the architectural and engineering services to plan and design the school facility. We have completed the first stage of the first phase of the schematic design. We are awaiting BIA review prior to beginning the second stage of that design development.

Although the new 1984 school construction priority listing has not been published in the Federal Register, we understand from the Bureau Construction Management and School Facilities staff that our construction need has been placed in a commitment-to-fund category as the only school from that list that has the design work underway in fiscal year 1983.

I wish to correct a portion of our written testimony where we had indicated that Little Eagle School had been assisted by FI&R moneys. We understand that actually those were reprogramed, and we would wish to commend the facilities contract staff for their good work in the FI&R areas. They have done an excellent job.

We think that our situation is analogous to the Indian Island day school which previously ranked ahead of us. We understand it is also scheduled for construction under the Department of Education Public Law 81–815 impact aid program.

Our ever-increasing enrollment has placed severe strain upon the prefabricated classroom buildings that comprise our school. The need for additional substance and assistance was realized by the Deputy Assistant Secretary for Indian Affairs in recently deciding to include our yearly rental cost of $145,600 for these temporary facilities in the contract support fund line item that accompanies our Public Law 93–638 contract with the Bureau.

Additionally, as I stated to this committee at the fiscal year 1983 budget hearings, once the Alamo Navajo Community School has a permanent facility all of the Alamo students who now attend the Magdalena public schools and occupy the BIA peripheral dormitory will return to Alamo along with those employees at that time.

Senator McCLURE. Thank you very much for your statement. It will be made a part of the record.

We have been informed by the Office of Construction Management that they are going to forward to us some recommendations for redistributing of the facilities O&M money, and we may be able to give you some relief in that regard.

Dr. BERLIN. Very good. I would hope so. I didn't get to touch upon that. It's very critical.

Thank you so much for the oportunity.

### PREPARED STATEMENT

Senator McCLURE. Thank you, sir. We will print your statement in the record.

[The statement follows:]

### STATEMENT OF DR. WILLIAM BERLIN

Mr. Chairman, I appreciate this opportunity to testify today on behalf of Alamo Navajo School Board, Inc. (ANSB), a nonprofit educational organization chartered by the Navajo Nation and by the State of New Mexico for the purpose of operating a kindergarten through grade 12 day school on the Alamo Navajo Reservation. Only in existence since October 1979, the school board has a current enrollment of 309 students, including preschool.

My name is Bill Berlin. I am the executive director for ANSB. I have a letter from the school board authorizing me to present this testimony. I am here to comment on the facilities management activity, specifically the lack of operation and maintenance funding provided contract schools for custodial and repair services for our facilities, and on the construction activity, which is limited in the fiscal year 1984 Bureau budget request to $14.6 million for the initial construction phase of the Hopi Junior/Senior

High School. I have some recommendations for consideration by the committee, regarding apportionment of the $88.9 million requested in fiscal year 1984 for facilities management, and will present them after first requesting an appropriation of $8.4 million, an amount which would provide total construction cost for a 54,000-plus square foot campus currently under design for the Alamo Navajo Reservation.

Although revision to the December 1981 school construction priority listing, (where Alamo Navajo School Board was ranked No. 8) has not yet appeared in the Federal Register, I understand from Bureau Construction Management and School Facilities staff that our construction need has been placed in a "commitment-to-fund" category, as the only school from that list that has design work underway in fiscal year 1983—and for which such needs have not already been met through either a reprograming (as in the case of No. 5 ranked San Simon School) or allocation of FI&R moneys. For example, with No. 4, Little Eagle and No. 6, Beatrice Rafferty. I understand our situation is somehwat analogous to that of previously No. 7 ranked Indian Island day school, which is scheduled for construction under the Department of Education Public Law 81-815, impact aid program.

That our ever-increasing enrollment calls for construction soon of this permanent campus is supported by the Deputy Assistant Secretary for Indian Affair's recent decision to include the yearly rental cost of portable school facilities in the contract support fund agreement to our Public Law 93-638 award. And, as I stated to this committee concerning the Bureau's fiscal year 1983 budget request, once this permanent campus is built at the Alamo Reservation, Navajo parents currently employed at the Magdalena Boarding School, and 100-plus Navajo students, will be accommodated on our campus. Therefore, along with savings from closing the boarding school, and no longer needing to pay to $150,000 yearly rental expense from the Bureau's budget, a permanent campus can be built at a time when the depressed construction industry in New Mexico would tend to generate very favorable construction bids. (Obligation of this $8.4 million projected cost early in fiscal year 1984 would further appear timely—in light of the concern already expressed by this 98th Congress for national economic recovery, and the potential impact on double-digit unemployment from accelerating vitally needed public works construction.) For all the above reasons, construction of this permanent campus on the Alamo Navajo Reservation suggests the consideration of this committee to including the $8.4 million in the Bureau's fiscal year 1984 budget.

Regarding the problem contract schools such as ours face from a total lack of operation and maintenance moneys for custodial and repair services for school facilities, I encourage the committees attention to this major problem, especially as enrollments in these schools continue to increase. (This fact was cited in the Bureau's fiscal year 1984 budget proposal; however, the $88.9 million request for the facilities management activity is no greater than for fiscal year 1983—suggesting either that Bureau facility costs, and/or contract school operation and maintenance costs, are to receive proportionably fewer dollars than in fiscal year 1983.

This becomes a difficult situation for contract schools inasmuch as the regulations implementing Public Law 95-561, the Indian school equalization formula, did not provide for operation and maintenance allocations as part of the direct instructional program allotment. Reference for this statement is 25 Code of Federal Regulations—part 31h, subpart L, contract school operation and maintenance fund, where at 31h.142, distribution of funds, the following is stated: "(a) Each contract school shall receive in fiscal year 1980 a portion of the contract school operation and maintenance fund determined by the percentage share which that school's fiscal year 1979 operation and maintenance cost represents in the total fiscal year 1979 operation and maintenance cost for all schools." And, at 31h.143, future consideration of contract school operation and maintenance funding, it states ". . . The Assistant Secretary shall arrange for full funding for operation and maintenance of contract schools by fiscal year 1981.. . ."

In the 4 years since regulations were promulgated for Public Law 95-561, the provision of full funding of these operation costs has never been provided—at least not for Alamo Navajo School. In 3½ years of year-round operation, our school has received a total of $17,000 in specifically allocated operation and maintenance moneys. Our access to such services is through the eastern Navajo area office located 180 miles from the Alamo Navajo Reservation in Crownpoint, N. Mex., and from two custodian/repairmen that serve the BIA-operated dormitory in Magdalena, N. Mex., 35 miles from Alamo.

Assistance from these sources is (given the distances), understandably, minimal. We do not receive custodial service, and work orders requesting repairs take 2 weeks to 6 months for processing and carrying out. An example of the seriousness of this predicament follows. During autumn 1981, we requested two LP gas fuel tanks for classroom buildings on the east side of the school complex because, during winter's coldest months, the heating units in these buildings stopped functioning due to condensation of the fuel in the supply lines across the inordinate distance from the existing fuel tanks. In March 1982, some 4 months after making the request, two tanks were brought to the site and placed on the ground unassembled, unmounted, and unattached—where, nearly 1 year later, they remain in the same condition. Appeals to the Eastern Navajo Agency Facilities Management Office repeatedly produce the following responses: (1) the paperwork is still being processed, and (2) there is not money available to complete installation. And so, two harsh winters have passed withour young students having to do their best in six inadequately heated classrooms.

This is yet another case of taking funds from—and, therefore, jeopardizing the quality of—the Indian school equalization formula direct instructional program account to defray the costs of administrative, overhead functions attributable to the operation of a school plant. Our bus drivers, for example, are forced to double as food service workers and custodians, while soap and brooms and paint are purchased with moneys that should have gone for books, filmstrips, and other classroom supplies. During fiscal year 1982, Alamo Navajo spent $28,000 for operation and maintenance purposes, fully 4.1 percent of our ISEF contract funds; for fiscal year 1983, we project an increase of 0.03 percent over fiscal year 1982 for these expenditures, attributable to increased custodial maintenance costs due to poor weather conditions.

I ask this committee's consideration of instructing the Bureau to provide these costs of plant operation in our fiscal year 1983 award (if necessary, as part of the supplemental appropriations bill), and, beginning with the fiscal year 1984, act in accordance with the regulations promulgated for Public Law 95-561. This would be as stated above, and as stipulated at 25 CFR831.h.143, future consideration of contract school operation and maintenance funding.

I am appreciative of the time you have given me today to present these recommendations.

Thank you.

## STATEMENT OF ROGER BORDEAUX, PRESIDENT, ASSOCIATION OF CONTRACT TRIBAL SCHOOLS

Senator McClure. The Association of Contract Tribal Schools, Roger Bordeaux.

Mr. Bordeaux. Good afternoon. My name is Roger Bordeaux. I represent the Association of Contract Tribal Schools. I am the current president of the association.

For roughly half of the schools we have been fighting for 4 or 5 years to try to get equitable funding for O&M. It seems like something might be happening, but you never know.

What I would like to do is hit on a couple things within the recommendation from the administration.

One deals with the formula itself. I think there needs to be a little restructuring of the formula so that there is equitable funding for small schools.

The other category within the formula that needs to be looked at drastically is transportation. The amount of money currently available in a lot of cases covers somewhere between 40 and 60 percent of actual transportation costs.

The recommendation from the administration to decrease the school board training by $775,000 and to provide $25,000 for a manual is totally unacceptable. Those manuals have been out for 3 or 4 years, and there hasn't been too much use for them.

Another thing is an elimination of moneys available for preschool programs, which I think hurts quite a few schools in our area.

Another concept I would like to initiate somehow is possibly forward funding or changing the fiscal year or something. Most of the schools as of right now do not have a final appropriation for this school year. We usually start schools in August or September. Our contract starts in October. Within the last 2 or 3 years we haven't gotten any final figures until February or March or April, and at the beginning of the contract period we have to borrow anywhere from $30,000 to $150,000 to operate.

So if that could be changed, I think it would save us quite a bit. Not only the contract schools, but also the Bureau operated schools. That would help out quite a bit.

The only other thing that I would like to specifically mention is title IV, the recommendation from the administration to close out and rescind.

Some of those schools that initially started from the community schools rely heavily on title IV funds to get started. Some of them upward of 50 to 75 percent of their funding comes from title IV. Some, like Coeur d'Alene, started and subsequently they lost quite a bit of funds and they are going to end up losing some more.

The facilities repair and improvement and construction is also the same high priority.

Senator McClure. Thank you very much. I appreciate your statement. We will look into this question you have raised with respect to the national school lunch and breakfast program. My understanding is that there is a Department-to-Department transfer of funds and that money is supposed to flow from the Department of Agriculture through the Department of the Interior and BIA rather than direct. But it is supposed to be there.

Mr. Bordeaux. Essentially they cut some of the schools last year totally for national school lunch, and somehow we ended up on some commdity-only program which funds only lunch with no breakfast program at all. And no milk programs.

Senator McClure. It is supposed to come down through BIA funding. We will find out.

Mr. Bordeaux. It sounds like there is some kind of hassle between Interior and Agriculture.

Is the written record going to be open for a couple of weeks? There are some other schools I would like to send some written testimony on.

### PREPARED STATEMENT

Senator McClure. The record will be left open for written submissions. Those that are appropriate will be placed in the record, and those otherwise will be placed in the committee file.

Thank you.

Mr. BORDEAUX. Thank you very much.
[The statement follows:]

### STATEMENT OF ROGER BORDEAUX

My name is Roger Bordeaux, I am the current president of the Association of Contract Tribal Schools. ACTS was formed a little over 1 year ago to provide advocacy, communication, training and technical assistance to existing tribal schools and other schools who are interested in local control of educating their children. The contract tribal school moevement started in 1966 when Rough Rock Demonstration School contracted with the BIA to run a local school. In 1973 there were roughly 15 local controlled Indian schools. There are currently 60 plus schools throughout the Nation. All of these schools are determining their children's future by operating and administering their own schools. Their are many success stories of how these schools operate along with some failures.

We come to seek your help, because in the past we've been able to survive through the use of supplemental and discretionary funds from the Bureau of Indian Affairs and the U.S. Department of Education. But these supplemental moneys are drying up. We as tribally controlled contract schools were not allowed to use Johnson-O'Malley funds for fiscal year 1982. Earlier, the U.S. Department of Agriculture ruled we could not take part in the national school lunch and breakfast program.

In addition to the elimination of funds for us mentioned above, we have now been threatened by proposed recissions of budget authority of appropriations approved by the Congress for fiscal year 1983. By the 2-year spending authority, these proposed recissions affect our present budget as well as next school year's budget.

These recissions affect several of our supplemental programs, including those for compensatory education for the disadvantaged (chapter I funds formerly known as title I), Indian Education Act (title IV, part A funds), and bilingual education (title VII funds).

Because of these cuts, we are here to ask you to appropriate enough money to adequately fund our schools. I would like to focus in on the fiscal year 1984 budget for the Interior.

It appears that when everybody else is being requested to cut their budgets, Secretary Watt's office will get a $13 million increase. The BIA's general administration is actually getting an increase. All of the services that the reservations receive are being cut.

The Bureau education ISEF formula budget for fiscal year 1984 is not enough for schools to run a program. The small school adjustment is not sufficient.

The student transportation formula only covers between 50 to 60 percent of actual costs.

The school board training funds proposed need to be increased back to $1 million. There does not need to be more brainwashing with their school board training manual and TA from BIA personnel.

Money needs to be retained for the many pre-school programs across the Nation.

Again, as last year, operation and maintenance funds for contract schools need to be made equitable with BIA operated schools. Currently only 50 percent of actual costs are covered.

Construction funds need to be considered for schools in bad shape. As an example, an engineering firm, hired by the BIA, has told the St. Francis Indian School that they intend to tell the BIA that the main facilities at the school are unsafe and should be condemned.

The facilities repair and improvement fund needs to be considered as a vehicle for previously private tribal schools. A school in Michigan was told by BIA officials that these types of schools are not eligible for these funds until fiscal year 1985.

Title IV needs to be restored to $77 million. The whole BIA budget recommended by the administration is unacceptable.

I would like to bring to the attention of the Congress some apparently misleading statements in last years' Congressional Record dated December 9, 1982 in the Senate Appropriations Committee explanatory statements.

The two statements were that the per pupil expenditure for BIA schools in fiscal year 1983 is $3,886 and when the supplemental programs are included the total per pupil expenditure is over $6,000.

St. Francis Indian School's per pupil expenditure for the 1982-83 school year for the basic instructional program is $2,292. Therefore, $3,886 is not getting to this school. When everything else is included we are no where close to the $6,000 figure stated in the Congressional Record.

Our students and their parents cannot improve conditions on the reservations without strong education leadership. This potential is slipping out of our hands and it is President Reagan's fault. He is the only one to blame for the current and future economic and educational development.

His words say one thing and his actions are just the opposite.

Senator BURDICK. Mr. Chairman.

Senator MCCLURE. Senator Burdick.

Senator BURDICK. Due to a little confusion here some of the witnesses weren't able to appear here at their exact time. They are willing to have their testimony submitted in writing and made a part of the record. Therefore, I ask that a statement by Pat McLaughlin, chairman of the Standing Rock Sioux Tribe, be placed in full in the record.

Senator MCCLURE. So ordered.

I had the pleasure of meeting with those gentlemen earlier today, and their statement, of course, will be placed in the record.

Thank you, Senator Burdick.

[The statement follows:]

## Statement of the Standing Rock Sioux Tribal Council

My name is Clayton Brown Otter and I am a member of the Standing Rock Sioux Tribal Council. I thank the Committee for providing the Tribe this opportunity to present our brief spoken testimony. I would like to ask your help in meeting some of our highest priority needs.

You are all aware of the conditions characterizing American Indian communities so I will not discuss the whole inventory of Standing Rock's needs. Standing Rock realizes that today there are many people seeking federal assistance. Consequently, our testimony describes only our priority funding requests. We have four general priorities.

First, we ask that the Committee consider funding several BIA projects included in the BIA's FY 1984 request for the "Facilities Improvement and Repair Program." These include a law enforcement facility and the second phase of the Bullhead elementary school. We ask also that you consider FY - 84 funding for the Standing Rock Irrigation Project.

Second, we urge your support of our requests for funding Indian Public Health Service budgets. Our primary concerns rest with adequate health care, continued funding of the Community Health Representative Program, and construction monies needed to build an out-patient clinic. Adequate alchohol treatment and ambulance service continue as one of our priorities.

Third, we testify to the continued need to adequately fund our educational programs. The Department of Education programs and the Bureau education programs have been cut back from an already difficient funding level.

Finally, reservation economic development must be one of the important objectives for all of us. We urge the Committee to support the creation of an American Indian Development Finance Institution. We also request that the Administration for Native American Programs remain in the Department of Health and Human Services as the BIA already struggles with effectively managing their existing programs.

Thank you. I would be happy to answer any questions you may have.

## INTRODUCTION

## STANDING ROCK SPECIAL FY 1984 FUNDING PRIORITIES

Four special FY 1984 funding priorities are requested by Standing Rock before the Appropriation Committee. These are described below. Each includes a budget if the request requires funding.

The Bureau of Indian Affairs and the Indian Public Health Service are the two federal agencies possessing continuous program responsibilities for Amercian Indian Reservations. Although the tribe may differ with these two agencies in terms of the specific amounts the agencies request for their operations on Standing Rock Reservation, the tribe does support both agencies in their overall efforts to obtain program funds needed to bring Amercian Indian Reservations into the mainstream of national life. The Tribe for example, supports the efforts of the Bureau of Indian Affairs to obtain approval for their FY 1984 budget for economic development. The tribe supports the continuing efforts of the Indian Public Health Service to obtain the budget needed to provide adequate health care on Standing Rock. As an analysis based on conventional health care standards reveals, the Standing Rock Service Unit of the Indian Health Service has been, over the years, understaffed and underfunded. Our testimony on health needs reflects this need.

Finally, we at Standing Rock recognize that there is a limited federal budget and that many people are seeking federal assistance. Nevertheless, we hope that this Committee recognizes the overall funding and human resource problems faced by the Bureau of Indian Affairs and the Indian Health Service and studies the possibility of improving the efficiency of these agencies as well as providing needed funding assistance. We also wish to thank the Committee for their past funding assistance.

## 1. THE BUREAU OF INDIAN AFFAIRS

### A. IRRIGATION DEVELOPMENT

Proposed Budget: $ 1,200,000 (FY-84)

The first phase of the Standing Rock Irrigation Project was constructed during the Fall of 1982 and will go under crop production in the Spring of 1983. FY 83 is a planning and design year for our Irrigation Development Project. However, we are requesting $1,200,000 in FY 1984 funding to complete the 2nd phase of the irrigation project at Standing Rock.

A recently completed water resources evaluation study funded by the Bureau of Indian Affairs concluded that there exists 4,097 acres which the tribe can place under immediate center pivot irrigation.(1) Standing Rock has excellent potential to improve agricultural productivity through irrigation development.

We believe that the planned development of irrigation projects as business enterprise will be followed by significant improvements in the reservation level of economic production. Such positive gains will contribute towards the tribe's goal to reduce reservation structural dependency by increasing our real rates of productivity.

Finally, the states of North and South Dakota have encouraged and supported the tribe's efforts to advance irrigation development within the reservation boundaries.

B. BULLHEAD RENOVATION, PHASE II
Proposed Budget: $951,000 (FY-84)

The first phase of the Bullhead Elementary School reconstruction project will commence this summer under the Bureau of Indian Affairs Division of Facility Engineering's Facilities Improvement and Repair Program. For phase II,

(1) SEE: STANDING ROCK IRRIGATION PROJECT OF THE STANDING ROCK SIOUX TRIBE, Assessment of Development and Environmental Impact, prepared for: U.S. Bureau of Indian Affairs by Morrison-Maierle, Inc., Helena, Montana, March, 1981.

C. LAW ENFORCEMENT CORRECTIONAL FACILITY - FORT YATES, ND
Proposed Budget: $1,000,000 (FY-84)

The existing Fort Yates detention facility is seriously deficient in size and building design. Additionally, the present facility does not meet standards for incarcerating juveniles. The Bureau of Indian Affairs, Division of Facility Engineering, has requested $1,000,000 in their FY 84 budget as part of the Facilities Improvement and Repair Program for this project. The Tribe has, over the past several years, ranked law enforcement improvement as one of our highest priorities. The planned physical improvements of the law enforcement correctional facility at Fort Yates remains a high tribal priority.

D. BIA SOCIAL SERVICES: Disparity of General Assistance Payments to the People

The Standing Rock Sioux Tribe is presently experiencing a lack of uniform General Assistance payments from the Bureau of Indian Affairs. This disparity in dual general assistance payment rates results from the Standing Rock Indian Reservation being divided by the states of North and South Dakota running east and west through the middle of the reservation. Members of Congress are aware that the states of North and South Dakota were both admitted into the Union in 1889 while the Standing Rock Sioux Indian Reservation was established by the Treaty of Fort Laramie on April 29th, 1868, reduced in size in 1876 and finally reached its present size in early 1889, before the states were admitted.

The Standing Rock Sioux Tribe did attempt to work administratively through the Bureau of Indian Affairs to rectify the situation but was denied, the BIA stated that "...It is our determination that the establishment of a uniform Bureau standard of payment on the Standing Rock Reservation is not a feasible solution to the problem addressed...".

We are requesting the U.S. Congress instruct the Bureau to provide assistance to the Tribe on this issue. Authority of Congress to establish our own uniform standards addressing General Assistance payments on the reservation should also be granted. We believe that there are only two Indian reservations affected by dual payments. These are the Standing Rock Sioux Indian Reservation and the Navajo Nation located in Arizona, New Mexico, Utah and Colorado.

### E. EDUCATION STAFF HOUSING, FORT YATES, ND

Proposed Budget: $600,000 (FY-84)

In 1978 the new Fort Yates Secondary School was completed. This facility greatly enhanced the educational environment at Standing Rock. However, no teacher staff housing was included in the project. The lack of staff housing has seriously affected the school administration's ability to attract and retain professional teaching staff. Ten housing units are presently needed to close the education staff housing gap.

## 2. INDIAN PUBLIC HEALTH SERVICE

### A. OUTPATIENT AND GENERAL HEALTH CARE FACILITIES

Proposed Budget: $987,000 (FY-84)

Outpatient facilities at both the Fort Yates Hospital and the McLaughlin clinic are inadequate. Both facilities have less than half the patient examining rooms needed considering the number of medical personnel and amount of patient usage. The dental clinic and the pharmacy at the Fort Yates Hospital have only half the space needed to provide proper services (pharmacy supplies are stored all over the hospital); medical records facilities are short of space; and finally, the physical layout of both facilities requires the prolonged mingling of sick and well in corridors and waiting rooms, a practice which violates minimum standards of medical practice.

The Aberdeen Area Office of the Indian Public Health Service has recognized and documented these problems. Three years ago, they contracted with the Standing Rock Sioux tribe to review alternatives for improving the situation. The tribe initiated this study, utilizing, among other things, outside consultants with expertise on health care delivery.

It is clear that renovation and new construction is the only feasible alternative for solving these outpatient and general health care problems. $987,000 will be required to bring the McLaughlin clinic and the Fort Yates Hospital to a proper level of efficiency with respect to handling the growing number of outpatient visits and doing this in a way that segregates sick from well.

The improvement of health care facilities on the Standing Rock Indian Reservation is one of the more important of Standing Rock's special 1984 funding priorities and we urge the Committee to earmark funding for the renovation and new construction required.

## B. THE COMMUNITY HEALTH REPRESENTATIVES (CHR)

The fiscal year 1984 proposed Indian Health Service budget "zeroes" out the Community Health Representative Program. The CHR Program has over the past fifteen years has become an integral and vital part of the I.P.H.S. delivery system. Indian people now depend on and trust the CHR's as the first and most readily available health providor.

The overall health status of Indian people has been improved and most notably, started rising with the implementation of the CHR Program. CHR's have grown from inexperienced fledglings and have overcome the skeptism that goes with change, and now provide the nucleus of health workers who are responsive to the majority of the health needs of Indian people. The Indian Public Health Service too is dependent upon the services provided by CHR's.

The CHR Program is a vital service to our isolated Indian communities. Under conditions of almost total income dependency, this program in many instances is the only health service safety net program which reaches the people. To withdraw support and funding of this critical need is unconscionable.

We urge the members of Congress to retain the CHR Program intact at the FY 1982 funding level.

## C. STANDING ROCK'S SPECIAL APPROPRIATION FOR SERVICE UNIT SUPPORT - INDIAN HEALTH SERVICE:
Proposed Budget: $750,000 (FY-84)

The standing Rock Sioux Tribal Council, upon review of the unmet needs of the Fort Yates I.H.S. Service Unit, is submittingt a Special Appropriation request in the amount of $750,000.00 to address the following:

I. Increase services to a constant increasing Indian population due to:
    A. Migration back to Standing Rock from urban areas and from other reservations;
    B. Constant increase in the birth rate on the reservation;
    C. Refusal of area hospitals of referrals on specialized treatment and care;
    D. Third party payment eligibility.

II. Increased unemployment resulted in an increased demand on the service unit due to decreased health insurance benefits.

III. Shortage of medical staff and increased overtime to existing staff.

We urge the support of the congressional delegation for this request.

## D. STANDING ROCK'S COMPREHENSIVE CHEMCIAL PREVENTION PROGRAM

Proposed Budget: $250,000 (FY-84)

The Chemical Prevention Program is working towards the prevention and intervention of chemical use and abuse on the Standing Rock Sioux Indian Reservation. The Program goals are: (1) to provide education and prevention service to all communities, schools and youth; (2) to provide counseling on an out-patient basis for the chemicaly dependent and his family; (3) to provide referral and transportation services for those seeking in-patient treatment; and (4) to provide aftercare services and followup for those returning from treatment.

Originally, the Standing Rock Alcoholism Treatment and Prevention Program was initiated in 1971 as a pilot project. But, due to funding constraints, the treatment program was changed to a prevention program with the intent of educating the youth and young adults in all the communities about the effects of alcohol. Chemical dependency after an eleven year limbo is finally being recognized as the major problem of the tribe and efforts to increase support to the program is being developed. True success and accomplishments are not measureable in the field of alcohol and drugs.

In requesting special appropriations, the Standing Rock Sioux Tribe realizes that a problem of this magnitude cannot be eliminated with single year funding. However, such funding will provide a core of sound professional and semi-professional staff to increase the education and prevention of alcoholism for the Standing Rock Sioux Tribe. We propose that an amount of $250,000 be specifically set aside or appropriated for the Standing Rock Sioux Tribe as a demonstration grant to address chemical prevention through education.

### E. STANDING ROCK EMERGENCY AMBULANCE SERVICE

Proposed Budget: $164,450 (FY-84)

The Standing Rock Emergency Ambulance Service began on October 1, 1977 under the authority of the P.L. 93-638 Self-Determination Act with the intentions of providing emergency services to the approximately 6,000 residents of the Standing Rock Reservation on a seven day week, 24-hour a day basis.

With the implementation of this program the service began to provide ambulance assistance to the reservation communities. Since that time the program has experienced severe cuts in the budget. One vehicle must cover the entire population of 6,000 people and 2,300,000 acres which includes (7) districts and (1) subdistrict. With the increase in GSA rental and mileage rates, the program cannot function effectively without additional personnel and vehicles. It is now necessary that we request special appropriations from Congress to meet our goals as set forth by the emergency program and the Standing Rock Sioux Tribe.

## 3. EDUCATIONAL PROGRAMS ON THE STANDING ROCK SIOUX INDIAN RESERVATION

I will briefly address the following education programs which are being operated on the Standing Rock Indian Reservation. My grandparents sent me, as a youngster, to receive my education from the Bureau of Indian Affairs. In many of my classes when I was young, I read that the purpose of educating Indians was to "...make us like white man..." By this method of educating me, my grandparents said, the United States was to make me like a white man by teaching me everything. Nowhere in any of my learnings did it say at what level had I to reach to be like a white man. Now, every decade there is a higher level of education and it is my belief that no matter how high or at what level education goes, that is how I am also to be taught so I can be like a white man. This, I believe, is the Trust Responsibility of the Bureau of Indian Affairs. I understand the BIA is attempting to deny this.

The Fiscal Year 1984 proposed budget submitted by the Administration has drastically slashed the Indian Education budgets. After having been systematically exterminated by the United States Government, now I am told that I can no longer try to be like a white man. Where do we stand? My education programs are all being cut: The Title IV, the Indian Education Act, and P.L. 92-318.

IMPACT AID, P.L. 91-874 or P.L. 95-561, Title XI, Part A is being utilized by our schools on the reservation and these funds are being utilized for the operation of the schools. If there were to be any great cuts, we may have to close some schools which are in receipt of these funds. We recommend that funds be retained in the Section 2 payments of the Impact Aid Program to carry out the intent of the law.

TITLE VII, ESEA (Bilingual Education Act) is being proposed for cuts amounting to $42.0 million. We have submitted an application to have our school funded under this program. We recommend opposition to the cuts being proposed.

We oppose the cuts in our student financial assistance programs. How are we to meet the "traditional roles of students and families in meeting college costs..." while every federal program is being cutback. The Standing Rock Sioux Tribe has already addressed the fact that our General Assistance Programs under the BIA are unequal. We are also addressing that the BIA regulations be amended to allow the students who are eligible for general assistance be allowed to receive financial assistance from the BIA. We cannot agree with the BIA's interpretation that general assistance cannot be used to supplement education grants when the student does not receive any personal financial assistance from these grants. We have lost many of our students due to this and find this regulation unsatisfactory to Indian people.

The Standing Rock Sioux Tribe recommends that all education related programs within the Bureau of Indian Affairs' budget be retained at the FY 1982 level. The Johnson-O'Malley Programs throughout Indian Country are very substantive in our public schools located within the boundaries of the Standing Rock Sioux Indian Reservation and we recommend the continuation of this effective program.

## 4. ECONOMIC DEVELOPMENT

### 1. THE AMERICAN INDIAN DEVELOPMENT FINANCE INSTITUTION

The Standing Rock Sioux Tribe supports the establishment of an American Indian Development Finance Institution. We believe that effective development bank intermediation is a more efficient way to create real increases in reservation productivity. Past experience shows that federal non-bank intermidiation is a failure system.

A Development Finance Institution could contribute toward the creation of financial structure throughout Indian country, a necessity that all development economist agree is prerequisite to development.

We respectfully request Congress to seriously consider future Development Finance Institution Legislation as it comes before Congress later this year. The Insitituion is designed to foster private rather than public sector development, a great advantage to enterprise efficiency.

### 2. THE ADMINISTRATION FOR NATIVE AMERICANS, ANA, BUREAU OF INDIAN AFFAIRS

The Standing Rock Sioux Tribe considers the proposed transfer of the Administration of Native American programs to the Bureau of Indian Affairs to be a silly, wasteful and potentially inefficient action. The Bureau of Indian Affairs struggles with the management of existing programs and the proposed transfer would only reduce the BIA's present marginal capability. The Bureaucrats from the Office of Management and Budget who developed this idea deserve an immediate trip to the woodshed.

## STATEMENT OF ELAINE WALBROEK, DIRECTOR, MPH PROGRAM FOR AMERICAN INDIANS AND ALASKA NATIVES, UNIVERSITY OF CALIFORNIA, BERKELEY

**ACCOMPANIED BY:**

**DENNIS MAGEE, ADMINISTRATOR, INDIAN HEALTH COUNCIL, PAUMA VALLEY, CALIF., AND INDIAN ADVISORY BOARD MEMBER, MPH PROGRAM FOR AMERICAN INDIANS AND ALASKA NATIVES, UNIVERSITY OF CALIFORNIA, BERKELEY**

**STEPHEN BARSE, ASSISTANT DIRECTOR, HEALTH PROFESSIONS RECRUITMENTS PROGRAM FOR NATIVE AMERICANS, UNIVERSITY OF OKLAHOMA**

**RICHARD CROWE, DIRECTOR, AMERICAN INDIAN RECRUITMENT PROGRAM, UNIVERSITY OF NORTH CAROLINA**

Senator McCLURE. University of California, Berkeley, the American Indians and Alaska Natives. Elaine Walbroek.

Ms. WALBROEK. I am Elaine Walbroek with the University of California, and I am pleased to introduce one of our board members, Dennis Magee, who is head of an Indian clinic. He serves on our advisory board; Richard Crowe, who is from the University of North Carolina School of Public Health, who is director of their master's of public health degree program; to my left is Steve Barse, who is assistant program director at the University of Oklahoma.

All of us are here on behalf of our request for $240,000 which is the same sum of money for fiscal year 1982.

There is some urgency in this request. For though this year we are indicated as a line item, it is for a zero amount of money, and now we are requesting the same sum that we were kindly awarded in fiscal year 1982.

These four universities have been working together since 1971 for the University of Oklahoma, and since 1979 when the program started at the other two universities.

This has been an extremely advantageous relationship because we have been able to share students and refer students, to advocate for students, to share resources and course material, in myriad ways to really maximize the number of students that are able to obtain this kind of professional training.

It has been particularly valuable in that it covers the regional districts—North Carolina, the Eastern Seaboard, whose Indian people have been often ignored in the past. It is the only university that is really advocating and accepting Indian students into schools of public health. Not the only one that accepts Indian students, obviously, but the one who is really a mission. Oklahoma, which has the largest concentration of Indian students in the country and the University of California which accepts students from everywhere, the west coast and the Southwest. And of course the University of Hawaii. There is a tremendous draw from Alaska and the Northwest.

One of the things that has also concerned us is the question of parity. I believe we ran into several statements which have spoken about there is no need for any more Indians trained, that the tribes have reached parity and so forth as far as professional training is concerned, that there is sufficient number and there is no need for a continuation of program.

I don't know where those figures are arrived at, but I think that if you ask any of these tribal members who are here in this room today what parity is and if there are enough people trained in the health field to cover the kinds of needs that the tribes have—we're also speaking to the fact that the Indian population has increased 86 percent between the two census periods, from 700,000 to 1,400,000, and that 51 percent of that population is under 20 compared to 18 percent as a whole, and for youngsters who are 15 to 24 years of age the deaths there, in a period of time when you should be immortal, is three times the national rate, and childhood infectious diseases are 3 to 57 times the national rate.

These are very important because it speaks to something that we all should be concerned with. Despite the tremendous gains that Indian Health Service has achieved over the years, it means that the people are not being reached as they should be, or probably that they are not taking advantage of the kinds of services that could be available to them.

Whatever the reasons, it means that we have to be concerned with the acceptability of these services and it means acceptability of services distributed by Indian people themselves.

For example, out of 57 health educators in Indian Health Service only 25 are Indians. There are 142 sanitarians in Indian Health Service and only 32 of them are Indians. There are 80 nutritionists and only 8 of those are Indians.

So we are talking about eventually replacing these kinds of personnel with Indian personnel.

All of our programs are tremendously dependent upon section 104 scholarships. The University of California this year is giving over $100,000 in traineeships from the university funds. We still are dependent for six of those on Indian Health Service scholarships. And it goes across the board that all of the schools have been receiving 104 scholarships. Without them, students would not be able to go to school.

The NCAI had in its testimony strong support for the $1.6 million needed for the Indian Health Care Improvement Act's title I with a really urgent plea that it should be reinstituted. I wanted to bring to your attention the fact that our students in our programs are actually recipients of these programs and we know what this kind of a scholarship means and we sincerely hope that in our testimony you will acknowledge or understand our strong support that these kinds of moneys be restored to title I.

Thank you.

Senator McCLURE. We are very conscious of the need for education. We will see what we can do. We will look at the various ways in which funding might be available and will do the best we possibly can.

Ms. WALBROEK. Thank you.

Senator McCLURE. Thank you very much.

[The statement follows:]

## STATEMENT OF DENNIS MAGEE

FUNDING REQUEST: Fiscal Year 1984, $240,000 is requested for support of Master of Public Health Degree Programs for American Indians and Alaska Natives at the Schools of Public Health at the Universities of California, Berkeley; Hawaii; Oklahoma; and North Carolina. This is the same sum awarded through Indian Health Service for FY 1982.

We understand that though our programs are indicated as a line item in the FY 1984 Indian Health Service budget, there are zero funds allocated for them.

PROGRAM JUSTIFICATION: Today there are 1,418,195 American Indians, Eskimos and Aleuts in the United States, a figure that is 86% higher than the 1970 census count of 763,594. There are 55.4% living in rural areas (26.5% for the nation as a whole). We find 38.3% are below the poverty level in contrast to 12.6% for the rest of the country.

Over 51% of the Indian population is under the age of 20, compared to 18.6% for the country as a whole, with the death rate for the late adolescents and young adults (15-24 year olds) three times the national rate. Leading notifiable infectious diseases range from three to 57 times that of the total population. Though largely concentrated in the western United States, significant portions of the Indian population live in each of the four census regions.[1]

These figures tell us that there has been a staggering increase in the Indian population in ten years; that with such a large proportion living in poverty, in rural and reservation (often isolated) areas that needed services are often unable to be purchased, and nutrition, housing and other environmental factors having an impact on health are inadequate or substandard; that most deaths will be behaviorally related; and that despite the great gains of Indian Health Service, the Indian people are not being reached as effectively as they should be or are not taking advantage of health services as they should; and that Indian problems and needs are of concern to all sections of our country.

Acceptability of services generally points to method of service delivery and to those who deliver such services; and it is generally agreed that services are accepted better or sought out more from one's own ethnic group. Indian Health Service agrees that there should be more in the professional levels and has consistently supported the training of more American Indians/Alaska Natives in the health and allied professions; and the tribes are constantly looking for trained health professionals for the programs they run.

Randomly selected from recent figures on employees provided by IHS, out of 57 health educators, there are only 25 who are Indian; out of 142 sanitarians only 32 are Indians, and out of 80 nutritionists/dieticians only eight are Indian. In 1979, according to the "National Plan for FY 1981-84," (DHEW Publication No. (HSA) 80-1021, December, 1979), only 50% of the IHS Chief Professional Officers were Indian, and out of the total IHS professional staff directed by these Chief Professional Officers, only 20% were Indian. There is need for hospital and clinic administrators, planners to organize, develop and administer programs (without them there would be few organized frameworks in which clinical personnel could work). There is need for sanitarians, environmental engineers, program developers and managers, biomedical laboratory scientists, alcohol and maternal and child health specialists, gerontologists, epidemiologists, occupational health specialists, nutritionists, behavioral scientists, public health nurses, and other public health professionals to make an impact on the enormous problems that still exist on Indian reservations and among clusters of Indians in urban areas.

With no support funds available for FY 1984, the primary source for Indian health professional personnel would dry up. There would be very few Indian people professionally trained to work in the public health field with their own people.

PROGRAM DESCRIPTION: Currently there are 58 American Indian and Alaska Native students enrolled in the four universities (University of California, Berkeley, 22 students; Hawaii, 10 students; North Carolina, 9 students; and the University of Oklahoma 17 students) in the following specialties: clinic and hospital administration, health planning, health education, biostatistics, epidemiology, occupational health, environmental management, biomedical laboratory science, gerontology, maternal and child health, behavioral science with an emphasis on alcoholism, and nutritional science.

Designed to materially increase the number of American Indians and Alaska Natives in public health graduate studies, the four programs are concerned with the student identification, recruitment, advocacy, training, retention, and eventual employment in various fields of public health.

BACKGROUND: Representatives of the Indian programs in the four Universities have been working together for four years, with meetings and continuous telephone and written communication concerning program development, referral of Indian students, and shared experiences in terms of residencies, field training, retention efforts, and curricula. A course developed and taught for seven years at UC-Berkeley "Indian Health Care: Past, Present, and Future" has been exported to Hawaii, where it was given for the third time Spring, 1982. Another course at UC-Berkeley, "Issues and Perspectives on Indian Mental Health: Strategies and Interventions" is offered and the material, syllabus, and text is available to the other Schools interested in the course. Another course by an Indian faculty at North Carolina dealt with "Indian Experience and the Health Issues"; and several seminars have been developed at the University of Oklahoma relating to health care and the Indian Health Service. Audio visual material developed on the different cooperating campuses have been shared as well, including slides, video and 16mm films.

CURRENT PROGRAMS: University of California, Berkeley: Since 1971 when the program started there have been 172 Indian students enrolled through the Berkeley program's efforts, with only a 12% dropout rate. There have been 131 graduates, with 101 of those graduating from UC, Berkeley, and 30 from associated schools of public health where they have been advocated for and/or supported financially by the Berkeley program. There are currently 22 students enrolled, including three doctoral students. Ninety percent of the graduates have worked in Indian related programs with one-third of them employed by Indian Health Service. The University has committed $100,000 in traineeships and tuitions to the MPH Indian students this year. There are six students who have 104 scholarships currently. Graduates range from IHS area directors and executive officers to planners, health center directors, a statistician in the HHS Secretary's Office, a director of health for the Navajos to four graduates who have gone on to medical schools and fourteen others who also have opted for other advanced training.

University of Hawaii: Sixteen students have graduated from the School of Public Health at the University of Hawaii, and there has been only one dropout since the program started in 1979. Out of the graduates, four are employed in tribal programs, seven are with Indian Health Service. There has been a great commitment from the University, which commitment has included traineeships that have amounted to 22% of the current grant level, special Indian related coursework, and special recognition of individual student needs. It is interesting to note that since the school started in 1962, over 50 graduates have been either employees of IHS or have subsequently joined IHS. Prior to the start of the Indian program, only two of these were American Indians. There have been 12 who have received 104 scholarships, with four receiving them at present. Currently there are ten students, enrolled, primarily in health administration.

University of North Carolina: There is no other major School of Public Health on the Atlantic Seaboard other than the University of North Carolina that encourages eastern Indians to graduate school in public health. It is the first time in the field that there has been recognition of the needs of eastern Indian tribes who have been overlooked for such a long time. When the program started in 1979 there were only three Indian students in the School; currently there are nine and by Spring, 1983 there will be eleven graduates. These are spread through public health administration, health education, nutrition, biostatistics and environmental health. Graduates have assumed significant positions with an health systems agency, as a nutritionist with a western tribe, as an health center administrator, personnel with a county health department and as other health personnel. One student is going on in law. Nine have received 104 scholarships.

University of Oklahoma: Oklahoma has the second largest Indian population of any state in the country and its School of Public Health serves large concentrations of Indian people primarily throughout the middle, southern and southeastern parts of the USA. Out of the 50 students who have graduated since the program started in 1971, 26 are with Indian Health Service, five are with tribally related health programs, and the rest are with the state or with the private health sector. All hold significant positions in planning, or administrative capacities, working in air and water control, environmental health engineering programs, occupational health and industrial hygiene, in sanitation programs, as a biostatistician, in Indian aging and mental health programs. Out of the current 17 students enrolled, five are doctoral students in environmental health or health administration. University commitment is manifested in the provision of special study rooms, special Indian focused seminars, and classes and advisors. There are currently seven students who have 104 scholarships.

CONCLUSION: Though all of the four universities draw students from across the country, they primarily serve as regional centers with Hawaii getting a large proportion of the Alaskan and northwest students, Berkeley receiving western, north, southwestern, and northern plains students, Oklahoma drawing students from the central, midwest and southeast portions, and North Carolina serving the eastern seaboard.

There are no funds allocated in FY 1984 for American Indian and Alaska Native training in public health. This seems inefficient and uneconomical to stop the most significant programs responding to Indian health manpower demands and the legislative intent of the Indian Self Determination Act, that Indian people be responsible for the direction of their own affairs.

With no funds these programs will be discontinued.

$240,000 is requested to continue these four training programs at the Schools of Public Health at the Universities of California, Berkeley, Hawaii, North Carolina, and Oklahoma.

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[1] Statistics from "Health Status of Native Americans" Michele Gerzowski and Gerald Adler, Paper presented at American Public Health Association, Montreal, Canada, November 1982.

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Senator McCLURE. Welcome, Senator Stennis, to the committee this afternoon. Senator, do you have a statement you would like to make at this time?

Senator STENNIS. Mr. Chairman, I wanted to be here earlier, but you know how it is for those of us on the Appropriations Committee. We had a series of meetings, and on my way around here it was my good fortune to meet Mr. Martin, who is the outstanding head of our Choctaw Indian facility there in Neshoba County next to my home county. It is my privilege to represent them.

I want to give you a very favorable report. They now have over 500 people employed at their new industrial facility. This was their undertaking. It was a new enterprise, new facilities and everything that went with it. They are doing a splendid quality of work and deserve credit. It was a very fine investment that was made, and I appreciate your support.

Senator McCLURE. Senator, you know that we have always listened to your counsel on this committee; we will continue to do so. I appreciate that report.

Senator STENNIS. Well, thank you very much. I want to stay for as much of the rest of the hearing as I possibly can. I will follow up my interest on the facility and everything that has to do with them. They are not a village. They have more than a village. It's a little city now operating there. Very creditable done, too.

Thank you again very much.

Senator McCLURE. Thank you very much, Senator Stennis.

## STATEMENT OF JOHANNA CLEVENGER, PRESIDENT, ASSOCIATION OF AMERICAN INDIAN PHYSICIANS

## ACCOMPANIED BY TERRY HUNTER, EXECUTIVE DIRECTOR, ASSOCIATION OF AMERICAN INDIAN PHYSICIANS

Senator McCLURE. We will next hear from the Association of American Indian Physicians, Inc. Terry L. Hunter.

Ms. CLEVENGER. Thank you, Senator McClure.

I am Johanna Clevenger, a Navajo Indian and a psychiatrist and this year president of the Association of American Indian Physicians.

I am joined by Terry Hunter, who is our executive director.

It is with a great sense of honor and a deep sense of concern that we appear here today, and we appreciate the opportunity to share our views with you.

Our association is a group of American Indian physicians from across the Nation who have two goals: To improve the health of our people and to increase the number of doctors, dentists, nurses, other health professions for our tribal medicine.

I wish to make three points during this presentation:

To request restoration of the community health representative, the manpower and urban Indian health programs at the funding levels originally recommended by Indian people.

Two, to strongly encourage Congress, congressional committees, and the implementing agencies of the executive branch to hold intact and implement the original intention of the Indian Health Care Improvement Act, Public Law 94–437, and the reauthorization due next year.

And three, to strongly recommend the elevation of the Indian Health Service within the Department of Health and Human Services to a level in the Public Health Service equivalent to an assistant secretary level.

On January 4, 1975, Public Law 93–638, the Indian Self-Determination and Education Assistance Act, was enacted into law. Then with the passage of Public Law 94–437 in September 1976 the Indian people could see that the U.S. Government was attempting to correct a major deficiency in a fundamental human right of any people: health.

It is regrettable that in 1983 we must acknowledge that Public Law 94–437 was never funded to full authorization and that consequently many health problems of the American Indian remain as they were for the last 200 years.

While full funding of the act was never achieved, the modest amounts that were given were sincerely appreciated by us and good use was made of these dollars.

For example, in the last 4 years there were 286 students graduated from scholarship programs with 205 of these currently working within the Indian Health Service and 81 more working for tribes or continuing on with graduate education.

I want to specifically mention the National Health Service Corps which was funding Indian people to become physicians and dentists. This corps has had no new starts since 1980.

Mr. Chairman, it is very important that Congress recognize the initial intent of 94–437. It is well documented and contains reasonable solutions, and we feel the program of developing Indian people to become health professionals is a sound program.

I might add that I was graduated from medical school in 1963, well before such legislation was enacted. My tribe, the Navajos, gave me a full scholarship. These funds came from the sale of our natural resources, such as uranium and timber. Without this scholarship I could not have accepted either of the two slots that I had been offered. The same is true of many talented young people today.

We feel that the community health representative program should be restored. This program over the years has been a vital link between the grassroots and the health clinic. These people serve 24 hours a day and provide not only medical services, but also health education and transportation to and from health centers and screening services.

For example, while I was working in the Indian Health Service at Shiprock, N. Mex., in the 1960's it seemed to me that our clinics were either overutilized or underutilized by certain portions of the community. For optimal utilization an educational process is necessary. A CHR would have lightened our load by, for example, seeing that a teakettle was put on the wood stove to increase the humidity in the hogan while a family had colds or pneumonia or whatever.

Also, a CHR would have gotten one newborn baby to the hospital earlier. The mother brought her to my clinic 1 week after the baby was born because this was the first time she could have seen a doctor.

When I saw the baby, the child was dying of peritonitis. I carried this child in my arms in the Government vehicle back to the hospital 30 miles away, knowing full well that we were probably too late.

In these days our Indian population is growing and moving to the cities, much as I did. I now live in Dallas. Dallas has 1,800 Indians.

### PREPARED STATEMENT

Senator McClure. Thank you very much for your statement. I again apologize for the shortness of time, but your entire statement is in the record.

Thank you.

Ms. Clevenger. Thank you.

[The statement follows:]

## STATEMENT OF JOHANNA CLEVENGER, M.D.

I am Dr. Johanna Clevenger, a Navajo Indian and President of the Association of American Indian Physicians (AAIP), located in Oklahoma City, Oklahoma. I am joined by Terry Hunter, Executive Director of the Association of American Indian Physicians. It is with great honor and a deep sense of concern that we appear here today and we appreciate the opportunity to appear before your subcommittee to express our views.

AAIP is an organization of American Indian physicians from all across the nation with two collateral goals: 1) to increase the capacity of the national health care system to provide adequate and specialized health care for American Indians and Alaska Natives, and 2) to promote and encourage the involvement and participation of American Indians and Alaska Natives in their own health care as clients, policy makers, and professionals. AAIP works closely with numerous other organizations, both public and private, primarily to increase the number of American Indians and Alaska Natives as professionals and leaders in health professions. As such, we support the testimony of the National Congress of American Indians, the National Tribal Chairmens Association, the National Indian Health Board, INMED, the Master of Public Health Program at the University of California at Berkeley, and all Indian tribes.

I wish to make these points during this presentation: 1) to request restoration of the Community Health Resource, Manpower and Urban Indian Health Programs at funding levels originally recommended by Indian people, 2) to strongly encourage Congress, Congressional Committees, and the implementing agencies of the Executive Branch to hold intact and implement the original intention of the Indian Health Care Improvement Act, Public Law 94-437, and the reauthorization of P.L. 94-437, 3) to strongly recommend the elevation of the Indian Health Service within the Department of Health and Human Services to a level in the Public Health Service equivalent to an Assistant Secretariat level.

On January 4, 1975, Public Law 93-638, the Indian Self-Determination and Education Assistance Act, was enacted into law. Public Law 93-638 was based on years of documented testimony indicating that Indian people were being dominated by the federal government. This retarded rather than enhanced the progress of Indian people in determining their own destiny, Congress said. With the passage of 93-638, the Indian people could sense that perhaps the U.S. Government was starting to live up to its stated obligations and promises.

Then, with the passage of Public Law 94-437, the Indian Health Care Improvement Act, September 30, 1976, the Indian people could see that the U.S. Government was attempting to correct a major deficiency and human right of any people: health.

Mr. Chairman, we do not believe it is necessary to recount for you all the documentation indicating Indian people enjoy the lowest level of health care of any segment of the U.S. populaion. We do feel it appropriate to quote from testimony of Senator Paul J. Fannin, September 25, 1974:

> "For far too long the Indian Health Service and the Indian people themselves have experienced government policies which resulted in inadequate funds, inadequate manpower, and inadequate facilities. In the place of a comprehensive plan to meet the health needs of Indian people, government policies have had the effect of a band-aid. Budgets for the Indian Health Service were often designed to meet the minimum needs of patient care and field health services. And in particular, construction funds for the Indian Health Service have been totally inadequate to meet the glaring need for better facilities. With only a few construction projects authorized in recent years, most which were the result of congressional intervention, the Indian Health Service has had to face continued deterioration in most of its facilities and do what it could to keep them going for yet another year, despite the knowledge that most of these facilities were out of date, beyond repair, and unsafe. In short, the Indian Health Service cannot, under present circumstances, provide quality health care to the Indian citizens for which it is responsible...."

It is regretable that in 1983 we must acknowledge that Public Law 94-437 was never funded to full authorization and that consequently many health problems of the American Indian remain as they were for the last 200 years.

While full funding of the act was never achieved, the modest amounts that were given were sincerely appreciated by the Indian people and good use was made of those dollars. As an example, under Title I, Section 103, in 1983 there were 203 scholarships awarded, the majority of these in pre-medicine, nursing, medical technology and health care administration. One million eight hundred twenty seven thousand dollars was appropriated from an authorized 5.7 million dollars. Section 104, in 1983 there were 334 funded scholarships. Having in mind 94-437 has been operating less than four years as of 1983, still there were 286 students graduated from scholarship programs with 205 of those currently working within Indian Health Service and 81 more others working for tribes or continuing on with a graduate education. The National Health Service Corporation (NHSC) was funding Indian people to become physicians and dentists. NHSC had no new starts since 1980. Mr. Chairman, it is very important that Congress recognize the initial intent of 94-437. It was well documented and contained reasonable solutions and we feel the program of developing Indian people to become health professionals is a sound program.

We feel that Congress is not aware of the great need for Indian people to become health professionals. As an example, to produce parity with the rest of the country, there should be 1,667 Indian physicians. At present we can document no more than 260 physicians. There should be 450 Indian dentists. The Bureau of Census indicates there are 63 Indian dentists. However, AAIP has been able to identify only 15 nationally. These low numbers are distributed across all health professions as evidence of the low number of Indian people going into the health field.

Our experience indicates that money provided to Indian people for health profession scholarships and recruitment is an investment. The numbers of people that are entering health professions from Indian communities is very gratifying economically and will return in tax dollars many times over the initial monetary investment made by the federal government. Providing Indian health workers is an essential component of any health program and a big step toward self determination. We need more American Indian physicians who, like Dr. Everett Rhodes who heads the Indian Health Service, can plan and can heal. Utilizing either concept, it is a worthwhile investment to restore not only the recruitment programs but also the scholarship programs as recommended in Public Law 96-537.

We also feel that the Community Health Resource Program should be restored. The CHR Program has over the years become a vital link between the "grass roots" Indian and the health clinics. They serve 24 hours a day and provide not only medical services to the community, but also health education, transportation to and from health centers and screening services. By cutting the CHR Program, not only will you affect the Indian communities nationally in the area of much needed health services, but you will be putting 2,200 Indian people out of work which will add to the poverty conditions of all Indian communities. We request the CHR Program be restored.

The Urban Health Programs for Indian people should be fully funded at a level of no less than 8.5 million dollars. The 1980 census indicates the Indian population to be 1.4 million. This is an increase of approximately 100% over the 1970 census and the census also indicates a 56% shift from reservation to urban areas. The track record made by the 41 urban groups over the last four years have indicated that these projects have been successfully accessing other programs, such as maternal and child health, family planning, National Institute of Alcoholism and Alcohol Abuse, urban health initiative funding, and third party reimbursement from Medicare and Medicaid. In addition, the private sector, such as foundations, church groups, corporations, etc., have provided financial assistance to these projects for various health program activities.

Resource development data, collected from the 41 projects in Fiscal Year 80 by Indian Health Service, show more than 8.1 million dollars generated from resources other than Indian Health Service. Many programs have developed linkages with other health and social service providers in their communities and have become a part of a comprehensive health care delivery system. All have shown significant impact on the overall health status of their service population and all are in the process of developing and/or maintaining a quality assurance program to review the clinical care, delivery mechanism, and acceptability of services rendered. The demonstrated ability of these programs to improve health status, their cost effectiveness and their leverage capacity, all make the direct comprehensive delivery mode the best choice for impacting on urban Indian health care.

Finally, the Indian Health Service should be raised to a level equivalent to an Assistant Secretariat level because it would eliminate the bureaucracy it now is buried under. Most budgetary and policy decisions concerning the Indian Health Service are now made many levels above the current position of IHS. Due to this situation, many recommendations made by IHS to the Secretary of Health and Human Services are lost in the bureaucratic maze. If the status of IHS were raised it would be interpreted as a commitment to improve the health care of Indian people.

In closing, we would like to remind Congress that the original intentions of the Indian Health Care Improvement Act as stated as a declaration of policy was "that Congress hereby declares that it is the policy of the nation in fulfillment of its special responsibilities and legal obligations to the American Indian people to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian Health Service with all resources necessary to affect that policy."

We are requesting that you implement your policy. Thank you.

## STATEMENT OF DAVID DUNBAR, LEGAL COUNSEL, NATIONAL CONGRESS OF AMERICAN INDIANS

Senator McClure. We will next hear from the National Congress of American Indians. Ronald P. Andrade.

Mr. Dunbar. Mr. Chairman, thank you for the opportunity of testifying for the National Congress of American Indians.

My name is David Dunbar. I am legal counsel.

The Federal Government has a trust responsibility to provide services to Indian people. This responsibility is based upon treaty relationships of the tribal sovereigns with the United States. Within this relationship the Federal Government has accepted a fiduciary responsibility to provide these services.

This responsibility has been interpreted and reaffirmed in various statutes and Supreme Court decisions. In its most narrow sense the trust responsibility originates from express terms in treaties, statutes, executive orders, and agreements.

Where treaty or statutory provisions were vague the courts have relied on common law fiduciary principles of trust to find a trust relationship and equivalent trust responsibility.

Economic and social service programs that benefit Indian people were authorized by Congress in an attempt to raise the Indians' standards of living and social well-being to a level comparable to non-Indian society.

The Government's provisions of support services to Indian people outside of treaty specifications can be implied as a component of that trust resonsibility. By providing these services the Government has developed an understanding and expectation on the part of Indian people that these services are a part of that trust responsibility.

The proposed budget of this administration subverts many of the previously passed statutes and ignores many of the decisions of the Supreme Court. In some instances the administration flagrantly attempts to ignore the expressed intent of Congress.

One of the more crucial budgetary initiatives is the proposed delegation of a portion of the Administration of Native Americans that presently oversees the federally recognized tribes American native program grants to the Bureau of Indian Affairs.

ANA has been a part of the Office of Human Development Services within the Department of Health and Human Services since 1973. The proposed transfer would be completed by April 1, 1983. This transfer would directly refute the expressed intent of Congress who during the 1974 congressional hearings stated that there was to be no delegation of this agency to the Bureau of Indian Affairs. Congress envisioned the success of native American programs to be dependent on the coordination with other human services administered by HEW, now HHS, and the flexibility within that department.

You may refer to House report 93–1043 of 1974.

The Senate saw the purpose of these programs to be the same as the House and also made clear that Hawaiian natives were to be served by these programs.

Again, refer to Senate report 93–1291, page 20 and 21.

Further, that this delegation would also entail the phased elimination of grants made to off-reservation Indian organizations and Hawaiian natives.

Congress specified that one of the purposes of the native American programs was to encourage off-reservation Indians to develop the capacity for linking into human service delivery systems supported primarily through the Federal, State, and local governments. Any phaseout of off-reservation grants would violate the intent of this law.

The Congress of American Indians feels that the Administration for Native Americans has worked to the benefit of tribal and off-reservation groups and that the proposed delegation of authority would injure the progress of tribes, not enhance it.

We, therefore, request that this committee deny the delegation of ANA's functions to the Bureau of Indian Affairs.

We further request that ANA's budget be returned to the 1981 level of $32 million.

The only other program that provides services to off-reservation Indians is title V of the Indian Health Care Improvement Act, the urban Indian health program. The administration has proposed to eliminate $9 million in funding for this program. We strongly oppose the reduction and support the continuation of the urban Indian health program at its 1982 level.

The proposal by this administration to eliminate these urban programs raises the possibility of a breach of trust by the Federal Government in violation of Supreme Court rulings that found the trust obligation to extend not only to tribal governments, but also to their members wherever they may be.

We refer to *United States* v. *Holliday*, *Seminole Nation* v. *United States*, and the overriding duty as expresed to the Federal Government to deal fairly with Indians as specified by *Morton* v. *Ruiz*.

NCAI opposes the reduction of the funding level for the Indian Child Welfare Act. The BIA has announced that the savings will be accomplished by eliminating funding for the off-reservation programs. This decision by the BIA totally violates the legislative intent of the law which provides funding for both on- and off-reservation organizations.

The BIA has stated that they feel they have the right to amend the act via budget appropriations. The Supreme Court in *United States* v. *Will* noted that the ability to change substantive law through appropriation measures is limited by congressional House rules.

### PREPARED STATEMENT

Senator McCLURE. Thank you very much, Mr. Dunbar. We appreciate it. We have your statement together with the attachments which will be placed in the record or in the file of the committee.

Mr. DUNBAR. Thank you, Mr. Chairman.

[The statement follows:]

## STATEMENT OF DAVID DUNBAR

The Federal Government has a trust responsibility to provide services to Indian people. This trust responsibility is based upon the treaty relationship of the tribal sovereigns with the United States. Within this relationship, the Federal Government has accepted a fiduciary responsibility to provide services to Indian people.

This responsibility has been interpreted and reaffirmed in various statutes and Supreme Court decisions. In its most narrow sense, the trust responsibility originates from expressed terms in treaties, statutes, executive orders, and agreements. Where treaty or statutory provisions were vague, the courts have relied on common law fiduciary principles of trust to find a trust relationship and equivalent trust responsibility. *Manchester Band of Pomo Indians, Inc.* v. *United States*, 363 F. supp. 1238, 1245 (N.D.Cal. 1973). Under common law principles the court can infer from the nature of the transaction, or activity, that a trust exists or is created "even though nothing is said expressly in the authorizing or underlying statute (or other fundamental document) about a trust fund or a trust or fiduciary connection." *Navajo Tribe of Indians* v. *United States*, 624 F. 2d 981, 987 (Ct. Cl. 1980), and *Menominee Tribe of Indians* v. *United States*, 8 I.L.R. 5060, 5062 (Ct. Cl. 1981).

Economic and social service programs that benefit Indian people were authorized by Congress in an attempt to raise Indians' standard of living and social well-being to a level comparable to non-Indian society. Thus, the Government's provision of support services to Indian people outside of treaty specific provisions can be implied as a component of the Federal trust responsibility. By providing these services, the Government has developed an understanding and expectation on the part of Indian people that these services are a part of the trust responsibility. The Federal Government's recognition of its trust obligation is seen by the comprehensive statutory scheme that affects almost every aspect of a reservation Indian's life, but is not limited to on reservation Indian people. (For example, Snyder Act of 1921, 24 U.S.C. §13, the Indian Reorganization Act of 1934, 25 U.S.C. §461 et seq., etc.). This obligation extends not only to tribal governments, but also to their members wherever they may be. *United States* v. *Holliday*, 70 U.S. 407 (1865); *Seminole Nation* v. *United States*, 316 U.S. 286 (1942); *McClanhan* v. *Arizona State Tax Commission*, 411 U.S. 164 (1973); See, Indian Health Care Improvement Act, 25 U.S.C. §1651 et seq.; Indian Education Act of 1972, title IV, Public Law 93-318; impact aid for Indian education, Public Law 81-874).

The proposed budget of the administration subverts many of the previously passed statutes and ignores many of the decisions of the Supreme Court. In some instances the administration flagrantly attempts to ignore the expressed intent of Congress.

One of the more critical budget initiatives is the proposed delegation of a portion of the Administration for Native Americans (ANA) that presently oversees the federally recognized tribes native American program grants to the Bureau of Indian Affairs (BIA). ANA has been a part of the Office for Human Development Services within the Department of Health and Human Services since 1973. The proposed transfer would be completed by April 1, 1983. This transfer would directly refute the expressed intent of Congress who, during the 1974 congressional hearings, stated that there was to be no delegation of this agency to the BIA. Congress envisioned the success of native American programs to be dependent on the coordination with other human service programs administered by HEW (HHS) and the flexibility within that Department. (House Rept. 93-1043). The Senate saw the purpose for these programs to be the same as the House, and also made clear that Hawaiian natives were to be served by the program. (Senate Rept. 93-1292, pp. 20-21). Furthermore, the delegation would also entail the phased elimination of grants made to off-reservation Indian organizations and Hawaiian natives. Congress specified that one of the purposes of the native American programs was to encourage off-reservation Indians to develop the capacity for linking into human services delivery systems supported primarily through the Federal, State, and local governments. Any phaseout of off-reservation grants would violate the intent of the law.

NCAI feels that the Administration for Native Americans has worked to the benefit of tribal and off-reservation groups and that the proposed delegation of authority would injure the progress of tribes, not enhance it. We, therefore, request that this committee deny the delegation of ANA's functions to the BIA. We further request that ANA's budget be returned to the 1981 level of $32 million.

The only other program that provides services to off-reservation Indians is title V of the Indian Health Care Improvement Act, the urban Indian health program. The administration has proposed to eliminate $9 million in funding for this program. We strongly oppose the reduction and support the continuation of the urban Indian health program at its 1982 level. The proposal by this administration to eliminate these urban programs raises the possibility of a breach of trust by the Federal Government in violation of Supreme Court rulings that found the trust obligation to extend not only to tribal governments, but also to their members wherever they may be. *United States* v. *Holliday, supra*; *Seminole Nation* v. *United States, supra*. The overriding duty of the Federal Government is to deal fairly with Indians wherever located. *Morton* v. *Ruiz*, 415 U.S. 199 (1973).

NCAI opposes the reduction of the funding level for the Indian Child Welfare Act. The BIA has announced that the savings will be accomplished by eliminating funding for the off-reservation programs. This decision by the BIA totally violates the legislative intent of the act which provides funding for both on- and off-reservation organizations. The BIA has stated that they feel they have the right to amend the act via budget appropriations. The Supreme Court in *United States* v. *Will*, 101 S. Ct. 471, 484 (1980) noted that the ability to chnage substantive law through appropriations measures is limited by congressional House rules, and that repeals of this type are not favored. The trust relationship requires that any change in a substantive law that was enacted pursuant to the Federal trust obligation could only be made after much consultation and adherence to a stringent fiduciary level of care. These standards should apply to situations where the Federal Government proposes to transfer Indian programs from one Government agency to another, or to changes or elimination of "services contract" statutes that were enacted to fill the gap between services provided to "on or near" reservation Indians and the "off" reservation Indians.

NCAI is opposed to the elimination of title IV of the Indian Education Act. It is inconceivable to NCAI that the administration would eliminate the only education program for Indians within the Department of Education. Title IV authorizes programs to both federally and non-federally recognized Indians, as well as to off-reservation Indian communities, for the purpose of improving the educational achievement of the American Indian. The administration has requested that this program be eliminated in recognition of the government-to-government relationship. This reasoning makes a mockery of that concept in view of the lack of an economic base by tribes to provide services to on-reservation Indians, let alone off-reservation Indians.

This administration has also requested a rescission of $16 million for title IV part A (impact aid). This is being suggested despite the fact that the administration was notified by the Comptroller General of the United States (Comptroller General Decision, B-205053, May 6, 1982) that the administration could not rescind title IV funds pursuant to the Impoundment Control Act of 1974. The provisions in the Impoundment Control Act do "not supersede any other provision of law requiring the obligation or expenditure of budget authority." In that decision the GAO analyzed statutes that the administration had requested be rescinded to see whether there was evidence of a congressional mandate to spend the funds appropriated for the particular program. The Indian Education Act, part A (impact aid), was found by the GAO to involve a mandatory spending scheme and could not be rescinded. We, therefore, request restoration of title IV to the 1982 budget level of $78 million.

NCAI must oppose the proposed elimination of the community health representatives program. Contrary to the administration's belief that the CHR program is "primarily a nonpatient care activity," this program provides the first line of contact with many Indian people who are sick and cannot get to a clinic. The way to combat poor health is not by terminating badly needed health programs.

NCAI was founded on the premise that we must protect the rights of Indians who are members of tribal groups. We cannot accept this administration's position that in order to retain portions of services to Indians on the reservations we must be willing to deny services to Indians off the reservation. We have stated that this Government has a trust responsibility to the tribes and their members wherever they may be, and that this trust responsibility emanates from treaties and other statutes providing programs established by Congress.

NCAI commends the administration in their efforts to develop an Indian policy based on the self-determination principles implemented in the last decade. The administration proposes to enhance self-determination of tribal governments through economic development of reservations. We support this concept but feel that the administration must put more moneys into the existing development and employment programs. For example, the small tribes management initiative funding was not increased for fiscal year 1984. Also, development moneys must be secured for water resources which will inevitably form the basis for most tribal government economic development plans. Until these economic programs take effect, the resources and internal ability of tribal governments to meet reservation Indian members needs, let alone off-reservation members, is for the most part absent. We are being asked to trade the needs of our people now for the hoped-for future benefits of economic development. This we cannot do. As in everything we hold as sacred, there must be a balance between all forces. That balance needs to be restored.

## STATEMENT OF ROSS O. SWIMMER, PRINCIPAL CHIEF, CHEROKEE NATION OF OKLAHOMA

## ACCOMPANIED BY WILMA MANKILLER, CHEROKEE NATION OF OKLAHOMA

Senator **McClure**. We will now hear from the Cherokee Nation of Oklahoma. Ross O. Swimmer.

Ms. **Mankiller**. I am obviously not Ross O. Swimmer. I am Wilma Mankiller. I am standing in Ross' stead.

I am also representing the Cherokee Nation of Oklahoma.

We have 40,000 tribal members. We are located in the extreme northeast part of Oklahoma.

What I am going to do here is not read to you but just briefly touch on the major points that are outlined in the written testimony, and I would like that to be incorporated by whatever method you do that.

Our major concerns are that the Indian Health Service budget be restored to at least the 1983 level.

We are in the process of constructing a new hospital, and while the decrease in appropriations for the Indian Health Service will not bother that, we need to construct some satellite clinics, and we do need funding for that.

We are recommending that we have an appropriation of $1.5 million to construct a satellite clinic and that the Indian Health Service budget for our hospital be approved for $10.5 million and a staff of 372 persons.

We also strongly urge Congress to retain the community health representative program. We have used our community health representative program not just to take people to the doctor and those kinds of things, but we have trained the CHR's to be LPN's and medical techs and those kinds of things for places like rural northeast Oklahoma, and I think also probably for reservations. It is critical that we have the CHR program so that people can access Indian Health Service facilities.

In our education programs we need the title IV program. The title IV program in our tribe affects approximatey 18,000 people. Also in our tribe, because many of the small rural schools are located near a lot of tribal trust land, small rural schools don't have a large tax base, and the title IV program sometimes makes up to 40 percent of those small schools' budgets.

In community development we still in northeastern Oklahoma have many, many tribal members without indoor plumbing, without decent housing, and we need the sanitation facilities program, which is the 121 program in Indian Health Service.

There is a proposal being promulgated to take the sanitation facilities program and the HIP and combine them and transfer them to HUD. The Indian Health Service has done a good job, and we would like to retain the sanitation facilities program with the Indian Health Service.

We need the BIA home improvement program. In 1981 the BIA did a study that discovered that there are still 92,000 Indian families living in substandard housing. That is still a major problem with our tribe.

We need the HIP program to be funded at its current level.

In terms of the sanitation facilities construction program, which basically helps people get water and sewage facilities, we could use $4 million annually alone just in our tribe. So there is a high need for that.

So those are the main points that are covered in the written testimony.

One of the things that I wanted to point out to people here who are lawmakers and representatives of the U.S. Government is the fact that our tribe has finally figured out how to be self-reliant to some extent. We have started a couple of very innovative programs using the community development block grant program, the HUD housing program, the Indian Health Service sanitation facilities program. BIA put those together. And we have initiated a massive self-help program in northeast Oklahoma, which we call the Bell project.

We are ultimately going to do some media stuff on that so that other tribes can get an idea of what we are doing.

One of the things that we did in this program, using traditional sources of Federal funding, is we put together a financial package that represents only about 50 percent of what it would have cost to contract out these programs and had the people in the community build the water system themselves, build the houses themselves. Using volunteer labor we were able to save about 50 percent of the initial cost.

In our opinion, and I think we will proved to be right ultimately, you can't move toward self-reliance until you start doing things yourself. Self-reliance has been a lot of rhetoric at the Federal level about self-determination and self-reliance. But really, Indian people, until we start doing things for ourselves, are not going to be self-reliant. Rather than continuing year after year after year to run programs at our level, much as you all do at this level, what we have attempted to do is take the funding and do something different with it.

Basically that is all I wanted to say.

### PREPARED STATEMENT

Senator McCLURE. Thank you very much. I appreciate your testimony. I will look for some evidence on that self-help program. I think that is interesting.

[The statement follows:]

## STATEMENT OF ROSS O. SWIMMER

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity of appearing before you to present the Cherokee Nation's position regarding fiscal year 1984 appropriations for programs benefitting Indians.

As we all know, Indians - often referred to as the "forgotten Americans" - received uncharacteristic attention from the media last month after Interior Secretary Watt suggested that Americans visit Indian reservations rather than Russia if they wanted to view depressed economies, high incidences of poor health, low standards of living and incredible rates of unemployment.

These conditions, however, are not confined to Indians "living on or near a reservation," as the Secretary's comments may have led you to believe. Although we have never operated from a reservation setting, but instead held fee-simple patent to our lands until they were allotted to individual Tribal members 76 years ago, Cherokees living within the defined geographic jurisdictional boundary of the Cherokee Nation in northeastern Oklahoma:

- die of diabetes and chronic liver disease at twice the rate of non-Indians and suffer from alcoholism at almost four times the rate of non-Indians;
- complete a median of 8.6 years of school, compared to 12.1 years for Oklahoma's general population;
- are unemployed at thrice the rate of non-Indians;
- have a mean family income that is 39 percent below the Statewide mean; and
- are found living in substandard housing without indoor plumbing one and a half times more often than non-Indians.

Clearly, common ownership of land (or living in a reservation setting) is not the cause of Indians' dire circumstances. Our poverty, unemployment, poor health and low standard of living result from a cycle of dependency, originating in Washington, D.C., which has denied Indian people participation in decision-making processes which affect their lives.

No group of people wants to become self-sufficient more than Indians. To realize that goal, however, we must first become healthy, educated and employed: we must have the infrastructure (housing, water, sewer systems and roads) which support the revitalization of our communities which is a prerequisite to our achieving independence.

### Health Care

In 1978, the Department of Health, Education and Welfare conducted a comprehensive study of the health care needs of the five southernmost counties in the Cherokee Nation's jurisdictional area. The task force concluded that "a system of primary ambulatory care health centers should be geographically located throughout the counties so that adequate health care would be available within 20 miles" of the area's residents and that "specialized services should be located in a central facility to support the outlying primary care ambulatory facilities."

On the basis of that study and at the Cherokee Nation's request, Congress added $18 million to the Indian Health Service's FY '79 budget to construct a new hospital to serve Indians living in the five target counties. That hospital is scheduled to be completed in October of this year, on-time and slightly under-budget.

To carry out the health care program recommended by the task force, the Cherokee Nation, using IHS and tribal funds, opened a full-time, full-service clinic in the most populous of the target five counties in mid-1982. This year the Stilwell Clinic will record more than 15,000 patient visits. Had the Tribe not opened the clinic, those patients would have sought medical care at the IHS hopsital in Tahlequah which is already overcrowded and adding an average of 800 new patients a month.

To carry on with the goal of dramtically improving the quality and quantity of health care available in rural northeastern Oklahoma, we must proceed with opening primary health care clinics in other locales in the target counties. Nearly an eighth of our total population, residing in the most southern target county, is more than 40 miles from the nearest health care facility. If we are to bring primary care to within 20 miles of that county's residents, we need an additional appropriation of

$1,500,000 to construct and operate a clinic there. If these funds are not added and the clinic is not built, our hospital will be inadequate before its construction is completed.

Obviously, construction of the new hospital and clinics, alone, will not allow us to provide quality health care. There must be adequate staff to tend to the patients' medical needs.

When Congress appropriated funds for constructing the new hospital, it did so with the insistence that the Indian Health Service, City of Tahlequah and Northeastern State University share services, thereby improving the quality of health care for Indian and non-Indian residents of the area. We have expanded upon that original concept, inspired by former Senator Henry Bellmon, and have added the University of Oklahoma Medical School, Oklahoma Osteopathic School and Cherokee Nation as partners who will share services when the new hospital opens.

Sharing services requires commitments and trust between and among partners. Our shared-service agreements have been predicated on the original plan for the hospital, which called for an IHS staff of 372 and an appropriated operating budget of $10,587,000. With the hospital nearing completion and the plans nearing implementation, the Administration's budget, with its recommendation that the hospital be appropriated $9,187,000 and budgeted for a staff of 292 (half of whom are contingent upon IHS' receipt of reimbursements), both IHS' ability to honor its commitments and the partners' goal of improving medical services while reducing health-care costs in the Tahlequah area are jeopardized.

So that we might honor our commitments - both to our proposed partners and to our goal of creating a new method for providing rural America with improved health care at reduced private and public-sector costs, I urge you to restore the hospital's operating appropriation to $10,587,000 and its staff to 372 budgeted positions.

We recommend that IHS be appropriated the funds necessary for each Service Unit to provide preventive, primary ambulatory, basic primary and emergency care. To provide an incentive for Service Units to collect third party reimbursements, we recommend that any third party funds collected be used to augment the basic services for which each Service Unit is funded as opposed to the Administration's recommendation that third party reimbursement be used to defray the cost of providing basic care.

To further ensure parity of services across Service Unit boundaries, we recommend that Equity Funding be maintained as an appropriated line item rather than as a contingency that has, at worst, a penalizing affect on those Service Units whose managers are diligent in collecting reimbursements.

There is an average of one physician per 653 persons statewide in Oklahoma. In the rural counties of the Cherokee Nation, that average drops to one physician per 1,925 residents. The only medical specialists in the area are employed by the Indian Health Service.

If IHS and the Cherokee Nation are to significantly affect the quality of health care available in rural northeastern Oklahoma, the Indian Health Service must be given the authority to treat non-Indian patients and bill them for the services they receive. Such authorization would have the dual benefit of allowing IHS to increase its resources while providing the general population with access to specialized medical care.

To complement and augment the medical services provided at IHS-funded hospitals and clinics, the Cherokee Nation employs a small cadre of community health representatives who provide a vital link between isolated, mostly elderly Cherokees and modern medical practices. Through the 37,468 visits which our CHR's, who are trained as licensed practical nurses and home health aides, made last year, hundreds of Cherokees received early diagnosis and treatment of their medical ailments before their conditions became critical. I urge Congress to restore funding for the Community Health Representative Program to at least its FY 1983 funding level of $25 million.

## Education

In 1975, when Congress enacted Public Law 93-638, it declared as general policy that a "major national goal of the United States" would be to "provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being."

In 1983, quantity and quality of educational services are no less fundamental to Indians' realizing our goal of self-sufficiency than they were in 1975.

With more than 40,000 members, the Cherokee Nation is the second largest Indian Tribe in the country. We are strongly opposed to a reduction in the fiscal year 1983 appropriation for Title IV Indian Education Act programs and to a discontinuation of Title IV programs in FY '84, as proposed by the Reagan Administration.

In the 14-county jurisdictional area of the Cherokee Nation, the elimination of Title IV will result in a loss of $2.5 million directed towards educational programs benefitting 18,000 children of Indian descent. For the poor school districts in rural northeastern Oklahoma, loss of Title IV funds will mean an end to special cultural enrichment as well as remedial programs. Loss of Title IV could threaten the continued existence of smaller school districts, particularly those located in rural Indian communities where poverty and the trust status of Indian lands has eroded the school district's tax base.

An example of the threat which discontinuance of Title IV poses to rural schools can be found in the Bell School in southern Adair County. Of the 189 students enrolled in Bell, 98% are Indian. There are 16 taxpaying families in the district: the remaining families in the school's 50 square-mile transportation district are too poor to pay taxes or live on land that is exempt from taxation. Bell receives 43% of its $459,000 annual operating budget (for grades K-8) from federal programs, all of which are proposed for elimination or recissions. Without federal aid, the Bell School will close.

In explaining the rationale for discontinuing Title IV programs, Administration officials suggested that other programs such as Impact Aid and Chapter 2, both of which programs are administered by the States, could absorb Indian education programs. Our past experience with state-administered federal assistance programs has been that urban school districts, with tax bases sufficiently substantial to support special programs for Indian and non-Indian students, receive the bulk of the federal aid. If past experience holds true, Tulsa and Oklahoma City, where less than 19% of the State's Indian population resides, would receive a vastly disproportionate share of the federal aid which is intended to benefit Indians.

To ensure that the advances which have been made since passage of the Indian Education Act of 1972 continue, ensuring an educated Indian population that is able to effectively compete in the labor market, and ensuring each individual Indian an opportunity to exercise self-determination, I strongly urge you to restore FY '83 funding for Title IV programs to the previously budgeted amount of $67,247,000 and to appropriate at least that amount for Title IV programs in FY '84.

## Community Development

On the premise that it would conserve administrative costs and reduce duplication of services, the Administration has proposed consolidating Indian housing construction and improvement programs in the Department of Housing and Urban Development. Commensurate with that recommendation, the Administration has proposed eliminating the Indian Health Services' 121 (Sanitation Facilities Construction) Program in FY '84 and phasing out the BIA's housing improvement program.

While we support the Administration's basic premise - that the construction and repair of housing and physical infrastructure should be consolidated in one agency - it would better serve the Indian people's interests if the agency selected were the Department of Interior, which already has offices located near the Tribes it serves and from whom we, the government closed and responsive to our constituents, may directly contract to administer programs.

Funding for the BIA's housing improvement program needs to be increased, regardless of which agency eventually administers the program. A 1981 BIA study found that 92,000 Indian families live in substandard housing. The proposed FY '84 appropriations will enable only 670 houses to be built and 4,260 homes to be renovated. At that rate, it will take us more than 18½ years to address the existing housing needs of Indians nationwide.

We also support an increase in funding for IHS' 121 program and statutory changes which would enable the program to be more flexible in responding to the needs of Indian people and their efforts to achieve self-sufficiency.

In the Cherokee Nation, alone, we have unmet needs which could absorb $4 million annually in IHS 121 construction funds.

An appropriation in unrestricted sanitation construction funds would greatly enhance our self-help construction programs, which we initiated in the Bell community in southern Adair County some 16 months ago. There, in a unique partnership, the Cherokee Nation is providing the materials to build 25 new homes, rehabilitate 21 existing homes and construct a 16-mile rural water system: the people of the community are providing the labor for these physical improvements.

Because Bell has had substantial federal housing assistance, we were able to use 121 construction funds to pay for 25% of the water line materials. We are restricted, however, from using 121 funds in communities such as Burnt Cabin and Briggs, which need a rural water system equally as much as Bell, but whose residents have not received sufficient federal housing assistance to qualify for federal sanitation facilities assistance. An appropriation for unrestricted sanitation construction would enable us to enter into partnership agreements with the residents of these and other communities, at a savings to the federal government of more than half the cost of a water system constructed with paid labor.

## Summary

Although federal programs for Indian people constituted only four-tenths of one percent of the 1982 federal budget, the present Administration is asking these programs - and the Indian people - to absorb 2.9 percent of the budget cuts proposed for fiscal year 1984. While the proposed reductions may appear minimal in comparison to the overall federal budget, I can assure you that they would have a devastating impact on an already impoverished people who are striving to attain the quantity and quality of health care, education, housing and sanitation facilities which are prerequisite to our achieving self-sufficiency.

In his policy statement on Indians, President Reagan said that the government would provide us with the "necessary" funds to "develop our resources." We believe that our greatest resource is our people and that, to "develop" them, quality health care, expanded educational opportunities and improved living conditions are "necessary."

We share the same goals of social and economic independence for Indian people: all we ask is that you listen to us when you chart the course for developing our resources which are our people.

## STATEMENT OF GORDON THAYER, CHAIRMAN, LAC COURTE OREILLES TRIBE

## ACCOMPANIED BY DR. RICK ST. GERMAINE, MEMBER, TRIBAL GOVERNING BOARD OF LAC COURTE OREILLES

Senator McClure. We will next hear from the Lac Courte Oreilles Tribal Governing Board. Gordon C. Thayer.

Mr. Thayer. Chairman McClure, my name is Gordon Thayer, chairman of the Lac Courte Oreilles Tribe. With me is Dr. Rick St. Germaine, a member of the Tribal Governing Board of Lac Courte Oreilles.

I would like to express our thanks for giving us this time this afternoon to make our appropriation requests.

Our tribe is located in the northern part of Wisconsin with approximately 3,500 members; it covers approximately 75,000 acres.

This testimony will entail two parts, Mr. Chairman. No. 1 is three special appropriation requests, and No. 2, the BIA and IHS budget line item requests.

First of all, I would like to start off by indicating that we have focused special appropriation requests for the following:

We have identified three target projects which require special funding—the reservation rural health clinic; the *Voight* case funding, which our tribe has been involved with, a landmark case which involves off-reservation hunting and fishing in the upper third part of northern Wisconsin; and the LCO elementary school construction.

The reservation rural health clinic is for $1,200,000; for the off-reservation hunting and fishing management is $375,000; and for the LCO elementary school it is for $6 million.

With regard to target one, which is the rural health clinic, this is the No. 1 priority for special appropriation request for our tribe. Our current clinic is inappropriately located within a tribal administration building and has inadequate space for necessary medical equipment and supplies and inadequate staff to serve current client load and to provide necessary nonexistent ancillary services.

Last year our clinic provided services to 6,000 patients in this tiny operating facility.

We propose the construction of a rural health clinic which will meet the minimum standards of construction and operation of the State of Wisconsin and the IHS. This new facility will provide approximately four times the space of the existing 2,000 square feet. This clinic will allow for the employment of a full-time physician and dentist with the appropriate support of medical staff, technicians, para-professionals, social workers and mental health professionals, and clericals.

The total capital investment of the clinic facility is estimated, with TA provided by the local field office of IHS, at $1,500,000.

Another source of capital funding for construction is the HUD community development block grant in the amount of $300,000. This CDBG grant is currently in the process of being applied for by the tribe.

The cost of operation, personnel, and maintenance of the proposed clinic facility will be provided for by the tribe. Our tribe will be paying for the cost of the clinic staff in approximately the amount of $150,000.

We need this clinic because in June 1952 our tribe transferred the Hayward Hospital to the Hayward Hospital medical group. In 1952 a part of that agreement was that our tribe would be provided equal if not better medical services out of that. This has never happened since that time. We have lost a hospital, but we are not getting the services at the Hayward Hospital.

I have included as part of our record this Hayward transfer resolution that was adopted by our tribe. A lot of our members have to travel 50 to 100 millies to get adequate care. This is not only the concern of Indian people in our area but the non-Indian people as well that they are not getting the adequate services from that hospital.

With regard to target two, on the 25th of January the Seventh Circuit Court of Appeals ruled that the Lac Courte Oreilles Tribe has off-reservation hunting and fishing rights in the upper one-third part of the State of Wisconsin. This has created a lot of backlash, and the tribe has taken positive steps to parallel regulation of off-reservation hunting and fishing by members. However, in order to do this we must have adequate funds in conservation. We must employ biologists and wildlife people.

### PREPARED STATEMENT

Senator McCLURE. Thank you very much. I appreciate your statement. The entire statement will be placed in the record. The addendum that was supplied with it will be placed in the committee files.

[The statement follows:]

## STATEMENT OF GORDON THAYER

Good Day! My name is Gordon Thayer, Chairman and this is Dr. Rick St. Germaine. We are elected memmbers of the Lac Courte Oreilles Chippewa Tribal Governing Board.

Thank you Chairman McClure and members of the Subcommittee for this brief opportunity to testify on behalf of my Tribe concerning FY 84 appropriations. My Tribe is located on an 80,000 acre reservation in Northern Wisconsin, with an enrollment of approximately 3,500. Approximately 2,000 members reside on the reservation. We strive for economic self-sufficiency in spite of extremely high unemployment, inadequate health services, limited resources for our Tribal K-12 education system, lack of social and mental health services, insufficient housing, and uncertain revenues to support tribal government and court system, natural resources protection, law and conservation enforcement, legal services and rights protection, community safety programs, and real estate management and road maintenance/construction.

We have purposely limited our appropriation requests for FY 84, and submit only the following for your committees consideration and advocacy throughout the congressional appropriation process. We understand the proposed cut-backs in domestic appropriations as a partial effort to improve the national economy. We also understand the necessity of conservation, of some sacrifices, and of improving the adminstration of our existing level of financial appropriations.

Chairman McClure we have identified three target projects which demand funding:
a] Reservation Rural Health Clinic - $1,200,000
b] Voight Case Funding - 375,000
c] LCO Elementary School Construction - 6,000,000
These must be funded, either as special set-aside or within existing budgets.

I. PRIORITIES

A. Target One

Project: Reservation Rural Health Clinic
Amount Requested: $1,200,000 (Special set-aside)
Justification: PHS-IHS is responsible for constructing, equipping, staffing, and maintaining health facilities to provide optimum health care for Indians not otherwise properly or adequately serviced by existing health care facilities, or where such health care facilities are nonexistent.

Rational: This is the number one priority appropriation request of our Tribe. Our current clinic is inappropriately located within Tribal administration building, has inadequate space for necessary medical equipment and supplies room, and inadequate staff to service current client load and provide necessary non-existent ancillary services.

We propose the construction of a Rural Health Clinic which will meet the minimum standards of construction and operation of the State of Wisconsin and the IHS. This new facility will provide approximately four (4) times the space of the existing 2,000 sq. ft. clinic. This will allow for the employment of a full-time Physician and Dentist (latter) with appropriate supportive medical personnel, technicians, para-professionals, social work and mental health professionals, and clericals.

The total capital investment in the Clinic facility is estimated (TA provided by local field office of IHS) at $1,500,000. Another source of capital funding for construction is the HUD Coummunity Development Block Grant (CDBG) System in the amount of $300,000. This CDBG is currently in the process of being applied for by the Tribe.

The cost of operation, personnel, and maintenance of the proposed clinic facility will be provided for the Tribe. We prpose to utilize the existing staff, one (1) Physicians' Assistant, one (1) Licensed Practical Nurse, one (half-time) Dentist, one (1) Medical Record Clerk, one (1) Health Administrator one (1) Masters in Social Work, and six (6) other medical paraprofessionals and clericals as currently funded by IHS. Additional staff salaries estimated at $150,000 annually will be derived from third party payments. Annual operating and maintenance costs estimated at $100,000 will be derived from existing IHS funds now currently being utilized for the health management program.

On June 20, 1952, the Hayward Indian Hospital was transferred from the Bureau of Indian Affairs, to a non-profit organinzation with the assurance that the

BIA "will continue to provide hospitalization to elegible indigent and needy members of reservations equal to or better than that now being obtained through the Hayward Indian Hospital..." Substandard medical care of Tribal Members demands our primary focus.

B. Target Two

Project: Voight Case Funding
Amount Requested: $375,000
Justification: Our leadership in re-establishing the rights of tribal self-government through the LCO vs. Voight federal case will entail both privileges and responsibilities. To effectively control off-reservation treaty guaranteed "usufructary" rights, the establishment and financing of an effective tribal Law Enforcement Department is essential.

The Bureau of Indian Affairs is responsible to assist LCO in the establishment of a "cadre of Law Enforcement administrators-managers in furtherance of the Indian Self-Determination Act" and thus our request for set-aside funds.

Corollary to the Voight Case activities will be the work of wild-life biologists and other such experts to develop our management capabilities.

The related issues of trust responsibilities and Indian Right's Protection will require litigation support, attorney's fees, funds for the study of fish and wildlife, and other unresolved Indian Rights issues.

C. Target Three

Project: Elementary School Construction
Amount Requested: $6,000,000
Justification: The current LCO Elementary School, which houses 145 students in grades K-7, is well over fifty years old and has been condemned in the past two years (citing evidence of safety and maintenance difficulties). The K-12 enrollment is increasing at an annual rate of 17% with Kindergarten enrollment increasing at a rate of 50%. While encouraged that Indian Youth are entering LCO schools in dramatic numbers, the over-crowdedness demands new, larger facilities.

The United States Congress and the President must take measures to ensure that budget levels for BIA School Facility Construction purposes be restored to the FY 82 level of $93,628,000.

The success of our tribally-operated K-12 school system has been documented at the 1982 Appropriation Hearings. We have dramatically curtailed the student dropout rate of Indian students from 75% in 1975 to 9% in 1982. Moreover, the attendance rate of our Indian students has improved remarkably from 80.8% in 1975 to 91% in 1982.

It's imperative that the United States Congress and the President seriously follow the course of expansion of funding authorized by P.L. 92-318, P.L. 93-638, and P.L. 95-561 and initiated to provide for the planning and operation of tribal-controlled education programs.

II. BIA APPROPRIATIONS

A. Department of Interior - BIA - Indian Education Appropriations ($2,900,000)

Program: School Operations
Continuing Education
Special Education
Title I
Operations and Maintenance
Amount Requested: $2,900,000
Current Level of Funding: $1,500,000
Rationale: The Lac Courte Oreilles Tribe has established education as a top priority. Since 1975 our tribe has created a K-12 tribal school, early childhood programs, adult and vocational programs, handicapped education services, computer assisted instructional programs, and a community college.

The United States Congress and the President must ensure that Indian students receive education services through the Bureau of Indian Affiars on a basis equal to those provided to other Indian and non-Indian students. As a result of fiscal appropriations which are in step with rising costs of education, school facility construction, maintenance, professional staff salary increases, university and technical school tuition increases, and identification of an direct service delivery to students with handicapping conditions. Additionally,

**continuing education should be increased so as to restore support for higher education and tribally-controlled community college.**

B. Department of Interior - BIA - Indian Services Appropriations ($605,000)

1. Program: Social Service

Amount Requested: $175,000
Current Level of Funding: -0-
Rationale: Social Services is perhaps the most vitally needed non-existent community service on our reservation. We need to immediately employ two-full time Social Workers, one Psychologist, and two Mental Health Counselors. We have a high incidence of suicide, homocide, domestic violence, one-parent families, alcoholism, and drug abuse, and general family disintegration. We need assistance in developing a group home for estranged youth; one that will provide one-to-one counseling, and psychological evaluations and planning.

2. Program: Law Enforcement

Amount Requested: $100,000
Current Level of Funding: -0-
Rationale: Tribal Self-governance, a BIA goal and objective, requires Lac Courte Oreilles to exercise this right and responsibility in new and innovative ways in response to the recent U.S. Circuit Court of Appeals (7th Cir) in the case of Lac Courte Oreilles vs. Voight (Wis. DNR). Therein, the Tribe's off-reservation "usufructory rights" were re-confirmed as being guaranteed by three mid-1800 Treaties. This demands that our law enforcement powers over members be administrated pursuant to Tribal Ordinances regulating the exercise of these rights. This will be in addition to our regular on-reservation law enforcement activities involving both members and non-members.

3. Program: Tribal Court and Indian Child Welfare

Amount Requested: $100,000
Current Level of Funding: $42,910
Rationale: We currently provide one day per week salary for the tribal Judge; full-time Courte Clerk, and 50% of the salary of a full-time paralegal out of our Indian Child Welfare grant. Because of increasing case load we need a full-time attorney to act as a court facilitator to direct Indian Child Welfare cases, and to provide representation in other courts on behalf of Indian children. We are also in dire need of financial support (non-existent) to pay for foster care on placement order by the Tribal Court under the jurisdiction of the Indian Child Welfare Act. Additionally financial support is required for guardian Ad Litem services at $30/hour, and publication costs on parent search procedures.

4. Program: Housing Improvement (HIP)

Amount Requested: $165,000
Current Funding Level: $120,000
Rationale: The current HIP Program is behind 40 homes in terms of requests for home repair. The program is in need of a new truck and a greater supply of materials and labor to accelerate repairs.

5. Program: Self-Determination

Amount Requested: $65,000
Current Funding Level: $39,000
Rationale: The Tribal Government is moving from an unstructured informal type of government to a model consisting of three branches of government consisting of the legislative, executive, and judicial. Whereas, Tribal Governing Board members are now elected at large, they will be elected from districts throughout the reservation. This type of government will require more qualified administrators and an expanded court system; it will require Tribal Governing Board members to be legislators, rather than administrators.

C. Department of Interior - BIA Economic Development ($800,000)

1. Program: Economic Development

Amount Requested: $750,000
Current Level of Funding: -0-
Justification: Lac Courte Oreilles economic development initiatives preceded this new BIA program. We have refined our organizational capabilities with the formation of an independent TRIBAL BUSINESS COUNCIL responsible for all our Tribal enterprises and economic development. Our administrative safeguards and operation procedures comply fully with BIA Guidelines for this initiative.

A significant project has been identified and prioritized by Lac Courte Oreilles for funding under this line-item; HYDRO-ELECTRIC (3 mega-watt) at the dam forming the Chippewa Flowage of the Chippewa River. The 25% BIA grant funds will be matched by a tax-free, municipal-type bond issue compatible with the Indian Tribes Tax Status Act. As an approximate $3,000,000 project, we seek $700,000 plus $50,000 for completing our feasibility and financial studies, engineering specifications, finance marketing program and the like.

2. Program: Road Maintenance

Amount Requested: $50,000
Current Funding Level: $32,000 for maintenance only. -0- Construction
Justification: The current program attempts to maintain 35.2 miles of graveled BIA roads, and plow-out snow from driveways in the winter . The roads are graded, snow removed, and brushed periodically. Additionally funds are needed to buy gravel, upgrade existing equipment, and be able to employ equipment operators and road crews more extensively.

D. Department of Interior - BIA - Natural Resources Development Appropriations ($230,000)

1. Program: Natural Resources - Agriculture

Amount Requested: $150,000
Current Level of Funding: -0-
Justification: LCO has revitalized its Cranberry Marsh, is currently experiencing profitability, and projects an expansion of the marsh by 28½ acres. Our request corresponds to planned expansion; i.e. $15,000 per acre for ten additional acres. Approved agricultural conservation measures, and funding therefore, are being requested to expand our Marsh in increments.

2. Program: Forestry

Amount Requested: $30,000
Current Level of Funding: -0-
Justification: Most of the LCO Reservation is forested. While the BIA Forester, as a BIA employee, does a credible job, we wish to shoulder more of the burden and perform more of our responsibilities. With a large accumulated allowable timber cut, we need to do much timber sale preparation and administration. In addition, forest development, such as timber stand improvement, reforestation and plantation thinning, will be done as needed. Basically, the employment of a qualified forester or forestry technician is needed, plus expenses.

3. Program: Water Resources and Wildlife and Parks

Amount Requested: $50,000
Current Level of Funding: -0-
Justification: We need fish and wild-life biologists and other such experts on LCO staff to develop our management capabilities. Gathering evaluating date and coordinating efforts with other agencies both for off-reservation resources will be large start-up tasks. Our attorneys advise us to get these people on staff "right away" for use in the Voight case hearings on remand to the District Court.

E. Department of Interior - BIA - Trust Responsibility Appropriations ($397,500)

1. Program: Trust Responsibility - Rights Protection
Amount Requested: $397,500
Current Level of Funding: -0-
Justification: (a) Tribe-Agency Operations: This budget line-item contains the source of funding to cover the LCO Conservation Department's basic operations. This money enables LCO to assist the United States in it's responsibility to protect and secure our on-reservation rights, security and resources. Detailed budgets have been previously submitted and it should be noted that this line-item of $172,500 is to be supplemented by Indian Services Law Enforcement request above as stated.

(b) Litigation Support: LCO is involved in at least three significant legal actions in which litigation support funds is needed to defend Indian Rights: LCO vs. Voigt, Wisconsin vs. Baker (both recently decided by the U.S. 7th CCA) and Chippewa Flowage Project 108 (FERC Relicensing Application). All three require expert assistance to defend, preserve and/or protect basic Indian Rights, both on and off the Reservation. A conservative amount needed is $30,000.

(c) Attorney Fees: Just for the above cases, LCO vs. Voigt, State vs. Baker, and Chippewa Flowage, it is anticipated that LCO will need independent legal services, apart from that provided by the U.S., in a significant amount. A projected need for $75,000 to retain outside counsel if requested.

(d) Hunting and Fishing Rights: The added responsibilities of Tribal Government resulting from the Voigt Case will necessitate study of fish and wildlife and enhancement of habitat. Professionals must be engaged to monitor, advise, plan, and over-see conservation practices. Coordination between tribal interests and public agencies is vital to perpetuation of harvestable species and cooperative conservation policies. Request $100,000.

(e) Unresolved Indian Rights Issue-Statute of Limitations Claims (2415)
Under one or both of these catagories LCO has prepared cases which either are or will be filed as Claims or law suits or both. At least two are identified as claims ready for action, the defendants being General Telephone of Wisconsin (GTE) and Northern States Power Company (NSP). GTE put in miles of telephone lines on the reservation without securing the necessary easements; NSP permanently destroyed fish, wildlife habitat and wildrice resources during the course of installing and maintaining the Chippewa Flowage over the past 62+ years. The background and investigative work for these was primarily done by LCO staff.

Another possible Claim, yet to be fully explored in all of its factual and legal ramifications, involves, the deprivation of the right of Tribl Members to exercise off-reservation treaty guaranteed "usufractary" rights and games laws against Tribal Members. LCO vs. Voigt reaffirmed the rights: Tribal Members have an apparant right of recovery for deprivation of these rights by the Sate of Wisconsin. Appropriation request $20,000

F. Department of Interior - BIA - General Administration Appropriations
($2,227.457)

1. Program: General Administration

Amount Requested: $1,470,000
Current Level of Funding: $209,213
Justification: Detailed testimony for adequate in-direct cost support funds was given to Congress in FY 82 which evidenced our appropriation needs.

2. Program: General Administration Reimbursement

Amount Requested: $757,457
Current Level of Funding: -0-
Justification: LCO requests General Administration reimbursement in the above amount per H.R. 4894, dated December 29, 1981, in which the tribe was allowed to utilize Claims Commission Funds for over-draft reduction with the expectation of Federal reimbursement.

G. Department of Interior - BIA Road Construction

Amount Requested: $1,100,000
Current Level of Funding: -0-
Justification: The deteriorated state of our Reservation roads was well documented in previous testimony to Congress. Nine (9) miles are in need of reconstruction and hard-surfacing. Tribal Governing Board Resolution to the BIA have documented our priority identified roads.

H. Department of Interior - BIA - Education

Program: Lac Courte Oreilles Ojibwa Community College

Amount Requested: FY 1984, $92,796. This is based on 33 FTE's at $2,812 each for FY 1983.
Current Level of Funding: -0-
Rationale: The Community College was born by Tribal Resolution in August of 1982. We are extremely concerned about the high attrition rate of students (75%), and long distances necessary to commute to college (minimum of 100 mi. round trip). The Community College exists to meet tribal educational needs in the areas of business, natural resources management, sciences, communications, education, Ojibwa culture and language, and fine arts. Currently with enrollment anticipated to double in FY 84 to approximately 175. Recently, President Reagan vetoed a bill to amend the Tribally Controlled Community College Assistance Act of 1978. However, under current funding levels our college would be excluded unless Congress appropriates additional monies for newly formed tribally controlled community colleges. P.L. 95-471 provides monies to Tribally Controlled Indian Community Colleges based on student count.

## III. Department of Interior - IHS - Appropriations

1. **Program:** **Existing Health Program and Clinic Operations**
**Amount Requested:** $1,000,000
**Current Level of Funding:** $647,245
**Rationale:** Due to a continuing increase in our reservation population, inflationary costs, and inappropriate health care delivery; we require a full-time Dentist (currently only ½ time), another Social Worker, two additional alcoholism Counselors, (2 currently), and one new health program planner. After limiting inpatient treatment under our current contract health service program (referrals to hospitals) by eliminating non-member spouses and allowing treatment of only serious diseases, we have expended in the first four months, 73% of our annual appropriation of $363,028.

## IV. APPROPRIATION REQUEST SUMMARY - SPECIAL SET-ASIDE

| | |
|---|---|
| Target One - Reservation Rural Health Clinic | $1,200,000 |
| Target Two - Voigt Case Funding | 375,000 |
| Target Three- Elementary School Construction | 6,000,000 |

| Summary | FY 83 LCO Request | FY 83 LCO Appropriations | FY 84 LCO Request |
|---|---|---|---|
| **BIA** | | | |
| Indian Education | $2,893,000 | $ 964,848 | $2,9000,000 |
| Indian Services | 1,796,000 | 201,910 | 605,000 |
| Economic Development | 543,000 | 32,000 | 800,000 |
| Natural Resources Development | 1,956,000 | -0- | 230,000 |
| Trust Responsibilities | 477,500 | -0- | 397,500 |
| Facilities Management | 80,000 | -0- | -0- |
| General Administration (Indirect Cost) | 1,472,728 | 209,213 | 1,470,000 |
| General Administration Reimbursement | 757,457 | -0- | 757,457 |
| Impact Aid: School Construction | 6,000,000 | -0- | 6,000,000 |
| Road Construction (9 Miles) | 1,100,000 | -0- | 1,100,000 |
| | 17,081,385 | 1,407,971 | 14,259,957 |
| **INDIAN HEALTH SERVICE** | | | |
| Health Management | 75,000 | 65,000 | 68,000 |
| Contract Health Clinic | 500,000 | 447,025 | 650,000 |
| Community Health Rep. | 76,000 | 55,000 | 60,000 |
| Alcohol | 25,000 | 15,000 | 20,000 |
| General Administration (Indirect Cost ) | 142,690 | 45,220 | 60,000 |
| Planning | 75,000 | 20,000 | 40,000 |
| Facilities Construction/ Equipment | 500,000 | -0- | 1,200,000 |
| Facilities Personnel | 237,800 | -0- | 102,000 |
| | 1,631,490 | 647,245 | 2,200,000 |

## STATEMENT OF ELMER M. SAVILLA, EXECUTIVE DIRECTOR, NATIONAL TRIBAL CHAIRMEN'S ASSOCIATION

Senator McClure. The National Tribal Chairmen's Association. Mr. Elmer M. Savilla.

Mr. Savilla. Thank you, Mr. Chairman.

My name is Elmer Savilla, the executive director for the National Tribal Chairmen's Association.

We sincerely appreciate the opportunity to present testimony today on behalf of the elected tribal leadership.

Since time is short we will address just some of those issues which we consider most important to provide assistance to tribal governments.

The Bureau of Indian Affairs Office of Indian Education. A year ago the Bureau proposed to close down several off-reservation schools. We are really concerned about Intermountain, Concho, and Wahpeton because we fear that the BIA attempts to subvert the Congress' intent by closing these schools at the end of the 1982–83 school year. We point as evidence to a printed closure plan which spells out they will be closed this year, a $15 million reduction in funds for OIEP, and to the written budget justification language on page BIA–28 of the justification.

The Congress' instructions for procedures for close-down was quite specific, and we feel that some of these plans were done in such a fast fashion that they are not really conclusive as to what is going to happen. For instance, the alternative student placement plans did not consider any of the trauma or socio-education problems for those children that were being transferred.

In addition, we contend that the student waiting list and enrollment figures at Intermountain were deliberately manipulated to justify the Interior's desired closure.

Therefore, NTCA recommends that BIA's projected $1.7 million savings by the closure of Intermountain, Concho, and Wahpeton be returned to the operational funding for those schools for at least 1 more year in order to allow sufficient time to prepare a proper placement plan and closure plan.

We think it is important, too, that Indian education programs not be viewed as social or entitlement in nature, but as a responsibility of the Federal Government to tribes in exchange for their lands and resources.

In the Bureau of Indian Affairs' Indian Child Welfare Act grants the decision to decrease ICWA grants by $2 million is a blatant disregard for the Indian children in general. With the closure of the off-reservation boarding schools there is sure to be a rise in need because, as documented in testimony last year, most boarding schools were populated by so-called problem children; that is, children that have some sort of problems, and that was the main reason that they were there.

So we think, Mr. Chairman, that the need has not diminished but has instead increased, and, therefore, we recommend that funding for this program, the Indian Child Welfare Act grants, be restored to the fiscal year 1983 level of $9.7 million to help prevent the diminuation of the Indian as a race.

Under social services, general assistance, the figures used for the Bureau's jusitification for needs for social service were way off. In many States—and they are listed in our hand-in there—the rateable reductions are enforced, whereas, for instance, in Idaho there will be a 45-percent reduction in Bureau contributions in place of the State figures. In addition, the Bureau's estimated caseload for 1984 was that general assistance was set at 64,969 women and children. But this year, in fiscal year 1983, that caseload in the first quarter is already well over that—66,184. So the estimate that they made was way off.

We recommend that the general assistance grants be funded at the fiscal year 1983 level of $82.2 million rather than a decrease.

In economic development very little is being done to encourage joint venturing, although this is a stated policy. The money that is provided for economic development is hardly enough to even encourage or complete any planning on viable projects.

The estimates of unemployment on reservations is given in the justification as being 34 percent average on reservations. I think it is important to point out to you that those estimates from the Bureau do not include those people that have exhausted their unemployment insurance. So it only includes those people that are still getting insurance payments. Therefore, our own personal telephone calls to the reservations have shown that the unemployment levels are anywhere from 38 to 90 percent, and they will continue to escalate into fiscal year 1984 unless a drastic turnaround in the reservation economies occurs immediately.

### PREPARED STATEMENT

Senator McCLURE. Thank you very much for your statement. I again apologize for the brief amount of time.

I notice at the end of your statement you have asked that you be given the opportunity to supply additional material. That material, if received within the next 2 weeks, will be placed either in the record or in the files.

Mr. SAVILLA. Thank you.

Senator McCLURE. Thank you very much for your testimony.

[The statement follows:]

### STATEMENT OF ELMER M. SAVILLA

Mr. Chairman and honorable members of this subcommittee, my name is Elmer M. Savilla, the executive director for the National Tribal Chairmen's Association. I sincerely appreciate the opportunity to present testimony today on behalf of the elected tribal leadership. I believe that you are already familiar with the organization and its constituency. Today I want to address those issues which the tribal chairmen consider to be extremely vital to the continuation of services to tribal members and those programs which would provide assistance to tribal governments for needed community and economic development. On those issues we are pleased to give our views:

#### BIA OFFICE OF INDIAN EDUCATION

The BIA proposed 1 year ago to close several off-reservation schools. We are seriously concerned about Intermountain, Concho, and Wahpeton schools because we fear that the BIA attempts subvert congressional intent by closing these schools at the end of the 1982-83 school year. We point as evidence to a printed "closure plan," a $15 million reduction in funds for OIEP, and to the written budget justification language on page BIA-28.

NTCA submits that Congress instructions for procedures to be carried out before any closures are scheduled have not been properly carried out by the BIA especially in areas of proper consultation, alternative student placement plans, and consideration of trauma and socio-education problems for those children being transferred. In addition, we contend that the "student waiting list" and enrollment figures at Intermountain were deliberately manipulated to justify Interior-desired closures.

Therefore, NTCA recommends that BIA's projected $1.7 million savings, by closure of Intermountain, Concho, and Wahpeton, be returned to the operational funding for those schools for at least 1 more year. This would allow sufficient time to prepare a proper placement plan. It will be important that Indian education programs not be viewed as "social" or "entitlement" in nature but as a responsibility of the Federal Government to tribes in exchange for Indian lands and resources.

### INDIAN CHILD WELFARE ACT GRANTS

Since its inception this program has helped to preseve the identity and culture of unfortunate Indian children and has contributed greatly to the overall social development of Indian communities both on reservation and off reservations. Especially now, given the rising figures of unemployment, alcohol and drug abuse, suicide and broken homes, it would be a tragedy to reduce funding for this program which is salvaging children who through no fault of their own are orphaned or homeless.

The BIA decision to decrease ICWA grants by $2 million is a blatant disregard for Indian children in general. With the closure of off-reservation boarding schools there is sure to be a rise in need because as documented in testimony last year, cost boarding schools were populated by so-called problem children, who will not return to their reservations. The decision to not fund off-reservation ICWA programs, too, hurts many reservation-born children who for reasons beyond their control were moved to urban or off-reservation communities. Mr. Chairman, the need has not diminished. The NTCA, therefore, recommends that funding for this program be restored to the fiscal year 1983 level of $9,700,000 to help prevent the diminuation of the American Indian as a race.

### SOCIAL SERVICES: GENERAL ASSISTANCE

The Bureau's assessment of the increased general assistance caseloads due to escalating unemployment and return of tribal members to reservations due to loss of income elsewhere, is low compared with actual figures we have obtained. The slight increase of $73,041 million for fiscal year 1984 from the $72,500 million provided in fiscal year 1983 will not make up for the need. The affect of the BIA's having to comply with State "rateable reductions" for fiscal year 1984 severely impacts tribes as follows: Mississippi (57.4 percent reduction in welfare grants), Idaho (45 percent reduction), Nevada (15.4 percent reduction), New Mexico (15 percent reduction), and North Carolina (50 percent reduction). Compounding these reductions is the fact that the base amount of the fiscal year 1984 general assistance is estimated to be $56,946 million, the majority of which is to serve the estimated caseload for general assistance at 64,969 women and children. Currently in fiscal year 1983 the general assistance caseload in the first quarter is already 66,184, over 2,000 cases in excess of the above estimate. We contend that the budget allowance for this area is too low and will not provide for need, which will continue to mount unless there is a miraculous turn-around in reservation economies within the next several months. NTCA recommends that the proposed $1.459 million decrease be denied and that general assistance grants be funded at the fiscal year 1983 level of $82.2 million.

### ECONOMIC DEVELOPMENT

The economic development program initiative begun in fiscal year 1983 was developed by BIA to "encourage joint venturing" by tribes with the Federal Government and private sectors. However, no tribes to date have been able to take advantage of the $5 million appropriated in fiscal year 1983 basically because the 75 percent tribal matching resources needed to participate are unobtainable by the majority of tribes.

The program denies use of BIA guaranteed loans as part of the tribal matching percentage. NTCA feels this program is vital to development of tribal sovereignty and economic stability. Therefore, NTCA recommends that $20 million be provided for fiscal year 1984. Otherwise, this program will be doomed to failure and will not assist the resource poor tribes who need it most and who are unable to secure loans from banks since, for the most part, they lack necessary collateral for such investments.

The BIA's estimates of 34 percent unemployment on reservations is unrealistically low compared with actual current estimates given to NTCA by tribes throughout the country. These reflect unemployment levels from 38 to 90 pecent which will continue to escalate into fiscal year 1984 unless a drastic turn-around in reservation economies occurs immediately.

The budget categories of the BIA's natural resources component such as forestry, agriculture, water resources, minerals-mining, et cetera, show slight increases, which is good and needed. However, these increases are again in the areas of planning and studies and do not provide the much needed mechanisms for tribes to implement actual work needed as indicated by these plans and studies. Tribes could provide some employment to their people in these areas if corrective work could begin in fiscal year 1984 on studies already done.

## SELF-DETERMINATION SERVICES

NTCA agrees with the BIA's requested $9.81 million increase in the self-determination services budget for fiscal year 1984. Yet, to meet the goals of both tribes and the administration for tribal take-over of their full governmental functions, training and technical assistance funding and expertise must be provided immediately to tribes, particularly in the area of indirect cost rate development and usage under Public Law 93-638 contracting, if retrocession is to be avoided.

NTCA recommends that the funding requested by BIA for the proposed 638 oversight/cost determination staff of 25 persons in fiscal year 1984 be utilized solely for implementing intensified technical assistance to tribes in capacity building for grant or contract operation. NTCA contends that the additional funding of $680,000 requested by BIA in fiscal year 1984 for the oversight/evaluation staff is too little too late to address the critical need for alleviating problems compounding now. We, therefore, recommend that this committee direct the BIA to: (1) immediately begin working closely with all other Federal agencies, particularly with HHS (IHS, ANA) with whom tribes can contract under Public Law 93-638, their respective Inspector General's Offices, OMB staff and a task force of tribal government representatives to establish a standardized definition and implementation process for administration and management of indirect costs. The work of this group would not be charged to Indian programs; (2) that this group produce the final product in understandable English for comprehension and compliance at all levels; (3) that BIA in joint consultation with these other Federal agencies identify with tribal governments their specified capacity building training needs and develop a capacity building training program to meet them funded with moneys from the fiscal year 1983 638 contracting budget under "one-time start-up" funds which should be expanded for this purpose.

## HOUSING IMPROVEMENT PROGRAM

The BIA housing program is proposed at $22.693 million which is $1.22 million below fiscal year 1983 and $625,000 below fiscal year 1981 levels. BIA estimates the total number of houses needing renovation to bring them up to standard condition at 32,000 and homes needing complete replacement at 60,200. There are indications that OMB will propose the elimination of the BIA/HIP program in fiscal year 1984 or 1985. With $19.980 million to renovate approximately 3,000 units in fiscal year 1984 by BIA, the backlog of homes needing repair will continue to outgrow any agency's ability to meet the need. NTCA does not see any indication in the proposed HUD Indian housing program for fiscal year 1984 that it can meet these renovation and replacement needs which HIP has been providing. We recommend that the BIA/HIP funding be doubled to $45 million for fiscal year 1984 to keep up with the current needs.

### SCHOOL CONSTRUCTION

There is no money proposed for new facilities construction nor for advanced planning and design for fiscal year 1984. We are pleased that Navajo and Hopi are getting the construction funds for new facilities they so desperately need in fiscal year 1984. However, NTCA feels that funding for advanced planning and design for those schools on Indian lands on the BIA's priority list should be provided so that when construction funds are made available, plans will have already been developed and construction can begin. These needs have been documented countless times in numerous studies over the last 5 years. $1.5 million should be provided for advanced planning and design. In 1980, the Secretary of Education labeled Indian schools a "national disgrace" because of their inadequate, unsafe, and substandard facilities. The fiscal year 1984 budget must contain adequate provisions for continuing and increased support for school construction on Indian lands.

### SMALL TRIBES CORE MANAGEMENT INITIATIVE

The proposed $5 million for this program in fiscal year 1984 is entirely too little to bring about realistic positive results. NTCA recommends, as it did in last year's testimony, that the funding for this program be increased to $10 million for fiscal year 1984 with clear flexibility for the tiniest tribes to participate as single or consortia entities whichever truly meets tribal needs. We further recommend that emphasis be placed on the BIA's funding of the 70 California rancherias and tribes who have historically been deprived of Bureau funding.

### TRUST RESPONSIBILITY

It is apparent to NTCA that the Department of Interior as trustee for Indian tribes is failing to manage the trust estate on behalf of tribes. While stating in the BIA fiscal year 1984 budget justification that "it is incumbent upon the Federal Government, by virtue of its fiduciary responsibility to see that Indian rights are not abrogated, lost or infringed upon, the fiscal year 1984 budget request for implementing the responsibility is reduced by $1.33 million with a $1.63 million reduction to unresolved Indian rights and elimination of statute of limitations funding. The BIA has consistently reduced its numbers of environmental impact statements on behalf of tribes over the last few years, while industrial development in many areas impacting tribal environments has increased and while non-Indian claims and quantification of Indian water intensify. NTCA recommends that an additional $2 million be restored to the trust responsibility budget for fiscal year 1984 to allow for increased tribal rights protection. We further request that this committee conduct oversight hearings on the total amount of funding available for Indian water rights, where these moneys are and how they are being used by the Department of Interior.

### MINERALS AND MINING

Under this category, again we see proposed funding for studies and technical assistance to show tribes their potential and what they can do, but no specific mechanism for them to be able to do the work in this area.

### LAW ENFORCEMENT

NTCA objects to the decrease of $1.192 million in the law enforcement program. At this time, due to expanding tribal jurisdictional boundaries the responsibilities of these governments and courts is increasing. Funding in this area has never been adequate to meet need. Therefore, NTCA recommends funding at the fiscal year 1983 level of $35.7 million.

Because of the 3-page limitation this testimony is deliberately short. We, therefore, request your approval to submit additional material to your committee soon after this date. Again, we appreciate this opportunity to talk with you. Thank you.

### STATEMENT OF ADELAIDE PRESLEY, EXECUTIVE DIRECTOR, RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

### ACCOMPANIED BY BARBARA KARSHMER, ATTORNEY, RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH COUNCIL AND INDIAN HEALTH COUNCIL, INC.

Ms. KARSHMER. Good afternoon, Mr. Chairman. My name isn't Adelaide Presley. I am Barbara Karshmer. I am the attorney for Riverside-San Bernardino Indian Health Council, and for Indian Health Council, Inc.

I would like to introduce Adelaide Presley, to my left, who is the program administrator of the Riverside-San Bernardino Indian Health, and Dennis Magee, to my right, who is the administrator of Indian Health Council, Inc.

Both of these programs serve 18 tribes and approximately 24,000 Indians in the remote and rural areas of southern California. They both operate under 638 contracts with the Indian Health Service.

I would like to thank the committee for the opportunity to appear and for its support and its continued attention to the problem of creating equity in health care for the Indian people throughout the United States.

In our written testimony we have submitted a fairly detailed explanation of our concerns, and I will just try to run through that briefly today.

First I would like to just summarize the requests that are being made.

First is that the equity fund be increased and the Indian Health Service be required to reallocate a larger portion of its base budget in order to create more equitable services for all Indians.

Second, that $1.5 million be added to the Indian Health Service budget for expansion of the current facilities of these two programs which are presently severely overcrowded and which have never been placed on any IHS list for facilities construction inasmuch as the facilities were not originally constructed by IHS but rather by the tribes themselves.

Third, we request that the CHR program be continued inasmuch as CHR's play a vital role in the delivery of health care for the Indian people, and for these two programs all have been licensed by the State of California as home health aides and do provide direct health care.

Fourth, we would request that the committee direct GAO to do a follow-up report on the equity fund to determine what gains have actually been achieved through that fund and what further needs to be done.

And fifth, Riverside-San Bernardino's Board of Directors would like to request that the committee reconsider the position that was taken last year in regard to serving non-Indian spouses because they feel that it is important to have that flexibility for their programs in providing care to the entire Indian family. Also, we request that the question of eligibility be left to the administrative rule making process so that Indians may have an opportunity for input and comment when rules are being promulgated.

I will backtrack a bit to the equity fund.

Both of these programs presently suffer a 75-percent unmet need in health care, which means that only 25 percent of their needs are being met presently. IHS claims that with $7 million all tribes will be placed in level III, which would mean that only 60 percent of their needs would be unmet. We question this figure, because according to IHS data that I obtained last week these two programs alone need $2.9 million to reach the level III standard.

We are also concerned because IHS plans to discontinue the equity fund this year because it is allegedly bringing all programs into level III which it has set as its own goal. We believe that this goal is not a sufficient goal to reach because it does not bring equity. There are still tribes that have funds in level I and level II and higher, in level III, and just to say that because some of the tribes have been brought up to the point where they are receiving 40 percent of their needs does not create equity.

We are also concerned that cutbacks in State funding that are occasioned by other cuts in Federal funding are having a major effect on the health programs in California due to the fact that these programs are very reliant on third party resources.

The methodology that is being used by IHS in calculating the equity fund is unfairly penalizing programs in California in that medical cutbacks are not being considered properly and the programs are really suffering this year because California's State medicare program is being changed drastically so that they are not able to take advantage of those funds, and yet IHS is applying an across-the-board standard that 14 percent of their individual Indians are eligible for medical and, therefore, cutting back the funds to these programs based on that potential eligibility. And that is merely based on countywide statistics, not statewide statistics.

### PREPARED STATEMENT

Senator McClure. Thank you very much for your statement. Your statement together with the two exhibits attached will be made a part of the record.

Ms. Karshmer. Thank you.

[The statement follows:]

### Statement of Adelaide Presley

The Board of Directors of Riverside-San Bernardino County Indian Health, Inc. (hereinafter RSBCIH) and Indian Health Council, Inc. (hereinafter IHC) jointly submit the following testimony. Appearing before the committee today are Adelaide Presley, executive director, RSBCIH; Dennis Magee, program administrator, IHC; and Barbara E. Karshmer, attorney for both of these programs. Both programs are tribally-controlled and Indian-administered under Public Law 93-638 contracts with the Indian Health Service. Together, they serve 23,721 Indians residing in their service areas which include 18 Indian reservations.

We are appearing today to request (1) that the equity fund be increased from the $7 million requested by IHS and that the committee require a larger portion of the IHS base budget to be reallocated; (2) that $1.5 million be added to the IHS facilities budget to construct and equip additions to our severely overcrowded facilities; (3) that the committee add funding to the IHS budget to continue the community health representative program at its fiscal year 1981 level; (4) that the committee request GAO to do a follow-up report on the equity health care funds. Both programs are also appearing to advise the committee of the effects of various funding cutbacks from other sources which directly impact their IHS budgets. In addition, RSBCIH is requesting that the committee reverse the position it took in the 1983 Appropriation Act in regard to non-Indian spouses being served by IHS inasmuch as only about 2 percent of the IHS patient care budget is expended for this purpose; and the health of the non-Indian spouse can drastically effect an Indian family's economic, physical, and psychological well-being.

## I. EQUITY FUND

We are very grateful to the committee for its continued support of the equity fund in fiscal years 1981, 1982, and 1983. To date, RSBCIH has received $1,779,000 of equity funds and IHC has received $1,272,000 of equity funds. These funds have now brought our two programs to the point where RSBCIH suffers 75 percent unmet need and IHC suffers 76 percent unmet need. According to data obtained from IHS, it would cost $2.9 million to bring RSBCIH into level III and $1.8 million to do the same for IHC. On this basis, we believe that the IHS claim in its "justification of appropriations estimates for fiscal year 1984" which indicates that only $7 million is needed to bring all tribes to level III is inaccurate. Moreover, we firmly believe that, as the GAO reported, the IHS has not truly made significant increases in health care availability for Indian people, but instead has made "progress" by recalculating and manipulating its figures. One of the major conclusions of the GAO report was that IHS was not applying consistent standards to all tribes' needs. One example of how this problem is being exacerbated is that this year IHS is claiming that 14 percent of the Indians in California are eligible for medical, based on general countywide statistics rather than on actual experience of the programs in dealing with eligible Indians. A basic falacy of this calculation, which results in reducing the theoretical unmet need, is that not all Indian health programs are eligible to receive medical benefits and there are often no other providers to serve the Indian population. For example, RSBCIH cannot receive reimbursements for medical-eligible patients because their clinic does not presently meet the State licensing standards due to facility shortcomings and equipment deficiencies. Inasmuch as IHS refuses to assist in improving the facilities and equipment, RSBCIH may be foreclosed from receiving reimbursements for patients who would otherwise be eligible for medical and thus RSBCIH loses an important source of revenue. Because other health care providers are not accessible or available to the Indian population, it is inappropriate to penalize the Indian programs by reducing their unmet needs by 14 percent based on the fact that 14 percent of the general population may be eligible for medical benefits. It is especially inequitable because IHS is not applying this same abstract standard uniformly across the country.

Another inequity in the application of the equity fund is the use of workload data which is reported differently in California than elsewhere, creating an impression that less services are being delivered. Moreover, basing allocations on past workload is unfair for those programs which have not had substantial funding in the past because patients could not receive care if there was no funding to provide that care. Until there is full funding available, those facilities will be unable to generate workload data to justify further funding. So, we are left with the old question of the chicken or the egg. Without sufficient funding, the program will not be able to provide services and thus workload data will be limited; and, conversely, without high workload statistics, the programs will be unable to justify additional funding. For example, with the use of equity funds in 1981, RSBCIH was able to serve twice a many patients as during the previous year. However, if the 1980 workload data were used, RSBCIH would not have received the funds to serve these eligible Indians. Therefore, we urge that population figures be used instead of workload data in those areas, such as California, which have been clinically underfunded until such time as adequate funding is obtained and realistic workload data can be generated.

Additional problems are found in the lengthy timelag that we have experienced in adjustment to the equity fund for reductions in available alternate services or miscalculations by IHS. This year, due to changes in the medical program, medically indigent adults can only be served at specific facilities which, for the most part, are not accessible to the Indian population. Programs such as the IHC will, therefore, be unable to obtain medical reimbursements for a large portion of the individuals served. This will greatly reduce the amount of third-party resources generated and thus decrease funds available to meet the needs of our service population. In addition, the State of California is seriously considering disbanding its Indian health program which gives each of our programs approximately $100,000 per year to supplement the IHS funds we receive. A similar problem is the phasing out of the National Health Service Corps (NHSC) upon which RSBCIH is heavily reliant for medical and dental practitioners. Already the NHSC doctors' salaries have been cut significantly with the result that many are considering leaving the NHSC altogether. And, if the NHSC is phased out entirely, the cost of these practitioners will have to be borne by IHS. These sorts of budgetary changes will not show up in the equity calculations for 1 to 2 years, based on past experience. Thus, instead of making progress in meeting the health care needs of the Indians we serve, we will be consistently falling behind in the level of care we can provide.

We are most concerned, as noted above, that IHS is not making progress in providing equitable services to all Indian people. As the committee is aware, the U.S. Court of Appeals for the Ninth Circuit held that IHS has an obligation to expend all the funds in its base budget to provide an equal level of health care to all Indians throughout the United States. See, *Rincon Band of Mission Indians* v. *Harris*, 618 F.2d 569 (1980). Despite repeated instructions from Congress, despite the recommendations of GAO, and despite the *Rincon* decision, IHS has made little progress in providing an equal level of care to all Indian people. We believe that IHS must be forced to reallocate a significant portion of its base budget if it is ever to achieve true equity in providing health care services to all eligible beneficiaries. We request that this committee instruct the General Accounting Office to do a follow-up report on the progress being made in achieving this legal requirement of equal health care services for Indian people.

### II. COMMUNITY HEALTH REPRESENTATIVE PROGRAM

We urge that this program be restored to the IHS budget at the fiscal year 1981 level inasmuch as it plays a vital role in the delivery of health care services to the Indian people. Because we serve many isolated and scattered reservations in the back country of southern California, we have to rely very heavily on our CHR's for direct patient care and monitoring. They are all trained in basic medical skills and are licensed by the State of California as home health aides.

### III. IHS PROPOSED REPROGRAMING

We have learned that IHS is currently planning to request authority to reprogram more than $20 million by cutting off fiscal year 1983 funding for all programs as of September 30, 1983. We strongly oppose this concept because it will have a severe negative impact on those programs which are in the greatest need of funds, namely those receiving equity funds. If the past 2 years have been typical, IHS will not complete the allocation process for equity funds until sometime this summer. And, it has been during the months of July, August, and September that these funds have been contracted out to our health programs in the past. If these funds are cut off on September 30, 1983, then they will be of almost no benefit to the tribes with the highest levels of unmet need and will instead be shifted to cover the cost overruns of the tribes who least need the funds. Such a result compounds the problem that the equity fund was intended to combat. We urge that any such request be denied.

### IV. FACILITIES NEEDS

We are also appearing today, as we have for the past several years, to request that funds be added to the IHS budget to expand our current ambulatory care facilities to allow current staff members and program needs to be accommodated. Of great concern to our Boards of Directors is the fact that IHS has no plans to construct or assist with the expansion of the Indian-operated facilities in California, all of which were originally constructed without assistance from IHS. When the facilities priority list was established by IHS, the needs of California Indians were never even considered. We shall address each of our program's facilities needs separately.

### RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Request: Facility expansion, $709,000; and equipment, $200,000.

RSBCIH serves 11 Indian reservations in the rural and remote parts of Riverside and San Bernardino Counties, Calif. According to the 1980 census, its service population exceeds 18,000 Indians. It serves these Indians from out-patient facilities on the Morongo Reservation, the Torres Martinez Reservation, the Soboba Reservation, and a facility being built by HUD on the San Manuel Reservation. A brief description of the program is attached hereto as exhibit A. According to a 1980 IHS report, our main facility on the Morongo Reservation suffers from "severe overcrowding" and is not accessible to the handicapped. Our tribal-specific health plan shows a need for 7,900 square feet of additional space to allow us to optimize our current resources in the provision of care. We would expand not only our main facility at Morongo, but also the satellite at Soboba with the $790,000 we are requesting for this expansion in order to best utilize our current 70-member staff and to accommodate the recent growth of our program. The additional $200,000 we are requesting would allow us to equip our facility once it is expanded.

It should be noted, however, that in its national plan for fiscal year 1981–84, IHS itself identified the need for a replacement health center for our Morongo facility alone at a cost of $8.8 million. We believe that it is more realistic and economical to spend the $790,000 we are requesting to expand and renovate our facilities in order to meet our current needs.

### INDIAN HEALTH COUNCIL, INC.

Request: Facility expansion, $400,000; and equipment, $110,000.

The current IHC 3,700 square foot facility on the Rincon Indian Reservation is the primary facility from which the program serves the eight Indian reservations in rural San Diego County. The program also operates a satellite on the Santa Ysabel Indian Reservations to serve more than 5,677 Indians. A brief description of the program is attached hereto as exhibit B.

The main facility on the Rincon Indian Reservation is in severe need of expansion to accommodate our present staffing level. At present we are requesting funding to build and equip a 5,000-foot expansion of our Rincon facility. Although the IHS national plan identified a need for $5.75 million for modernization of our health center and although the IHS 1980 California facility report identified a need for 6,000 additional square feet based on 1979 funding levels, we believe that it presently is most sensible and realistic to merely expand our present facility by 5,000 square feet at the cost of $400,000 with attendant equipment costs of $110,000.

## V. CONCLUSION

In conclusion, the Boards of Directors of RSBCIH and IHC urge this committee to assist us in meeting the needs of the 23,721 Indians which we serve by providing funds in fiscal year 1984 to expand and equip our existing ambulatory care facilities as well as equity funds to increase funding to the point where only 60 percent of our needs will be unmet.

Thank you for your thoughtful attention to and consideration of this matter which is so vital to improving the health of the Indian people we serve.

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## EXHIBIT A

## RIVERSIDE-SAN BERNARDINO COUNTY INDIAN HEALTH, INC.

Riverside-San Bernardino County Indian Health, Inc. was established in 1968 as a nonprofit tribally controlled and managed comprehensive health program to serve the needs of the Indian populations living on or near 11 Indian reservations in rural Riverside and San Bernardino Counties, Calif. The program initially began with the

Morongo and Soboba Reservations as one of nine demonstration health projects with modest funding provided by Indian Health Service through the California State Department of Health. Today the Public Law 93-638 organization is comprised of nine reservations.

The first clinic facility utilizing a volunteer dentist was located in an abandoned 15-by-15 foot jailhouse at the Morongo Reservation constructed about 1917. From these humble beginnings the Indian people were determined to meet the urgent health needs of the reservations and through community contributions for materials and by utilizing self-help, that is, Indian men and women volunteers, the first 1,200 square foot clinic building was built at the Morongo Reservation in 1971. Today Riverside-San Bernardino County Indian Health, Inc. has a small desperately overcrowded 4,000 square foot clinic facility at the Morongo Reservation and a 1,275-square-foot facility at the Soboba Reservation. A portable 1,440 square foot medical clinic serves the very remote Torres-Martinez Reservation. The 1980 census estimates the present Indian population of our 27,000 square mile service area to be 17,292. It should be noted that our two county service area encompasses the largest and fifth largest counties in the United States.

The original staff of 2 licensed vocational nurses has grown to a present staff of approximately 70 persons, which includes professional staff of 3 full-time dentists, a nurse practitioner, 2 physicians, a podiatrist, 2 laboratory technologists, 2 part-time optometrists, a psychologist, marriage and family counselor, social worker, a sanitarian, a nutritionist, a health educator, 3 community health nurses, 9 community health workers and support staff. The increased staff and services were due almost exclusively to the equity health care appropriations.

Riverside-San Bernardino County Indian Health, Inc. provides its recipient population health services in three types of modalities: direct care, contract care, and community health services.

Obviously, due to the size of its service area and lack of facilities and funds, the program is able to serve only a small portion of the population in its service area.

## EXHIBIT B

## INDIAN HEALTH COUNCIL, INC.

Indian Health Council, Inc. was incorporated in 1970 as a nonprofit, Indian controlled program with the primary responsibility of providing health services to eight Indian reservations in San Diego County. The main health center is presently housed in a 3,700-square-foot medical-dental outpatient facility, that was completed in 1976 after 4 years of local fundraising for construction and equipment. Contributions came from civic clubs, church groups, corporate donations, special fundraisers, individuals, small foundations, schools and special benefits sponsored by the San Diego Chargers professional football team. The U.S. military as well as local Indians donated labor and much of the material was contributed to complete the fully equipped $300,000 health center. In addition, IHC has a 1,500-square-foot satellite facility providing health care in a more remote area of San Diego County.

The program presently employs one doctor, three dentists, two dental hygienists, one nurse practitioner, and one registered nurse. Contracts have been negotiated with four part-time optometrists to provide desperately needed eye care, and an emergency medical service (ambulance) that operates 24 hours a day.

Due to limited funds, geographic isolation and hazardous road conditions, the health center was able to serve just a portion of the 5,677 Indians residing in this service area which the U.S. Indian Health Service has determined as the target population. Utilizing a small fraction of the actual needed funding the program managed to serve about 30 percent of the people who are in desperate need of adequate health care.

The Indian Health Service provides funds to employ 50 staff members who, in addition to volunteer help, provide basic ambulatory care as well as social services and transportation.

With additional space, the health program will be able to provide badly needed services in the areas of alcoholism, mental health, drug abuse, audiology, optometry, and specialty care. In addition, we will be able to provide on-site training in Indian health careers for local Indian students.

### STATEMENT OF MAX NORRIS, PAPAGO TRIBE OF ARIZONA

ACCOMPANIED BY:

JOHN NARCHO, COUNCIL MEMBER, PAPAGO TRIBE OF ARIZONA
ANDY PATRICIO, COUNCIL MEMBER, PAPAGO TRIBE OF ARIZONA

Senator McClure. We will next hear from the Papago Tribe of Arizona. Mr. Max Norris.

Mr. Narcho. Mr. Chairman, Max Norris was not able to make it today. So we will have two council members of the tribe speaking on priorities this year, council member Andy Patricio to my right, and myself, John Narcho, also a council member.

Before we get into the appropriation request, we would like the administration to consider a 1983 supplemental request and a 1984 budget amendment on the timely implementation of the Southern Arizona Water Rights Settlement Act of 1982.

As we all know, the President signed into law a water bill for our tribe. It identifies certain amounts of moneys to be set aside for the implementation of the act. And so we request that you consider that we have that money put up so that when the contracts are developed we will have those moneys set aside as called for in the law.

First of all, on fiscal year 1984, the No. 1 priority which I will be addressing will be on health. Other issues will be addressed by Mr. Patricio.

The CHR program, as previously testified to, is a very fundamental part of direct care on our reservation. We are the second largest reservation in the United States, roughly 4 million acres, comparable to the size of Connecticut.

These individuals follow up on a lot of medication, dressing bandages on a lot of the people in our reservation. So they are a vital part of direct care on Papago.

We would like to see that this funding for the community health representative program be included for 1984.

We are also requesting a dialysis center in Sells. We have some 16 or more patients that travel 200 miles or more three times a week into the city of Tucson for dialysis treatment. So we would like your consideration for a dialysis center in Sells.

We also have recently a reorganization by the Indian Health Service on some of the programs in our area—the transferring of the Sells service unit to the Phoenix area office. It has a direct impact on our health and health moneys for our reservation. We protest this reorganization by the Indian Health Service which would restrict the services coming directly to the tribe.

I will have Mr. Patricio address the two other issues.

Mr. Patricio. My name is Andrew Patricio, tribal council member for the Papago Tribe. My testimony will be on the second priority, which is education.

The areas that I will touch on are the impact aid for construction of a high school, the early childhood program, and the education budget itself.

First of all, the impact aid. What we want regarding the impact aid is a Federal amendment which clarifies the purposes underlying impact aid in the Indian country and conflicting State statutes.

Regarding the construction of a high school, the high school is very much needed on the Papago Reservation because of the recent talks about closing of some of the boarding schools. We have for a long time requested a high school on the Papago Reservation.

The other thing is the early childhood program for fiscal year 1984. The budget reveals that the funding for that program has been eliminated, and we are requesting that those funds be placed back in the budget. We feel that that is an important program for the Papago Tribe.

We are also requesting that there be no more cuts in the education program.

Mr. NARCHO. I just want to expand upon the high school and the closing of Intermountain. The Intermountain closing will have a direct impact on the Papago Tribe. We have at least 99 or more, the largest tribe, represented at Intermountain, and yet we hear that other Indian schools are going to be taking up the slack. We just don't see this as a plus factor in our favor. We don't have adequate facilities now on our reservation to receive those youngsters. If there were adequate facilities we could go ahead and say, sure, close it down. But at this time we do not support the closing of Intermountain. We would like to have a high school in our west end. We only have one high school now on our reservation of 4 million acres.

Senator MCCLURE. I think that high school is high on our list and it will be coming up very soon.

How many Papagos go to the Phoenix school?

Mr. NARCHO. I couldn't give you that figure. Maybe Andy could.

Mr. PATRICIO. According to the resolution that the Papago Council passed it states that there are about 500 high school Indians at the various boarding schools that they are now attending.

Senator MCCLURE. About 99 of the 500 go to Intermountain?

Mr. PATRICIO. Right.

Mr. NARCHO. We have roughly 3,000 total students. Fifty percent go to boarding schools.

Senator MCCLURE. Thank you very much.

[The statement follows:]

## STATEMENT OF THE PAPAGO TRIBE OF ARIZONA

Mr. Chairman, the first priority of the Papago Tribe is health and the second is education, including the construction of a high school to serve the west end of the Sells Papago Reservation.

In light of these priorities, we recommend that the fiscal year 1984 appropriation include the following funds which are not in the President's budget: (1) $25 million to the Indian Health Service to continue the community health representative program, including funds for the Papago Tribe; (2) $600,000 to IHS to construct and equip a dialysis treatment facility at Sells; (3) $2 million to the Bureau of Indian Affairs to continue its pre-kindergarten program, including $260,000 for the Papago early childhood education program through the Office of Indian Education programs; (4) $67 million to the Office of Elementary and Secondary Education to continue funding for parts, A, B, C, and D of the Indian Education Act, including funds for programs to benefit the Papago Tribe; and (5) the funds required by the BIA to plan and design a high school to serve the west end of the Sells Papago Reservation and to reduce the need to send large numbers of Papago students to off-reservation boarding schools.

In addition to these and other funding proposals we plan to submit, we ask that the committee: (1) inquire into recent IHS policy initiatives that would bar contract care for end-stage dialysis patients not already receiving contract care and eliminate funds for elderly nursing-home patients who are not presently served; (2) join with the Papago Tribe and the Pascua Yaqui Tribe to oppose the closure of the IHS Office of Research and Development at Tucson; and (3) delay closing Intermountain School until the west-end Papago high school is completed.

Mr. Chairman, the President's proposed budget eliminates the CHR program and the BIA's pre-kindergarten program and Department of Education programs under the Indian Education Act. These program terminations total more than $93 million. The Papago Tribe and many other tribes simply cannot do without them. We ask that you restore the funds.

On a more hopeful note, we have followed reports of the proposed jobs bill with great interest. We understand it will soon be considered by the Appropriations Committee as a supplemental to the fiscal year 1983 appropriations. We urge that the committee assign the highest priority to public works projects on Indian reservations. Indian unemployment is six times greater than the national rate. We could put many Papago people to work right away on agriculture and rangeland conservation measures, HIP housing, road maintenance, facilities, improvement and repair, law and order facilities construction, irrigation development, and IHS construction activities.

The tribe also expects that the administration will soon send to the Congress an fiscal year 1983 supplemental request and an fiscal year 1984 budget amendment for the timely implementation of the Southern Arizona Water Rights Settlement Act of 1982. We will submit a separate statement regarding this.

We would like to express our appreciation for your efforts to make life better for the Papago people. I am pleased to report that work will soon begin to complete the San Simon Junior High School thanks to the funds made available for fiscal year 1983. We also want to thank the committee for agreeing that funds formerly provided by the BIA to help support the Papago Alcoholism Rehabilitation Center would be provided by IHS in fiscal year 1983.

## STATEMENT OF JOHN RAINER, EXECUTIVE DIRECTOR, AMERICAN INDIAN SCHOLARSHIPS, INC.

Senator McClure. We will next hear from American Indian Scholarships, Inc., John C. Rainer.

Mr. Rainer. Senator McClure, my name is John Rainer. I am the executive director of American Indian Scholarships, Inc.

I appreciate the opportunity to present this brief summary of my official testimony, which is 5 minutes or less in length, as you have requested.

Because of the perpetual need to upgrade Indian health and standard of living through education, each year I feel compelled to make a pilgrimage to Washington, D.C., to rely on the good judgment of the Appropriations Committees so that the Bureau of Indian Affairs will contract with American Indian Scholarships, Inc., to financially assist Indian graduate students on a nationwide basis, including the Natives of Alaska.

However small, last year the Appropriations Subcommittees saw fit to secure funding for Indian graduate level scholarships. With the facts presented, I sincerely hope you will again realize the importance of this service provided by American Indian Scholarships and will thereby appropriate a modest sum of $2,500,000, which we believe to be realistic figures, to meet our need.

I call our attention to the following fact sheet:

Our objective is to raise the health and living standards of American Indians through education by assisting the Indian men and women at the graduate level so they can apply their professional skills on Indian reservations and Indian communities.

American Indian Scholarships serves Indian men and women of one-fourth Indian blood or more who are members of federally recognized tribes. We believe AIS to be the only Indian graduate program providing financial assistance on a nationwide basis, including Alaska.

We are incorporated as a nonprofit, tax exempt 501–c–3 corporation, and it is administered in New Mexico and was founded in 1969.

AIS is governed by an all-Indian Board of Directors representing eight geographical areas, plus a graduate student representative.

In its 12 years of existence we have awarded almost 2,700 scholarships to Indian men and women doing graduate work and attending medical school. While we are very proud of our success, we should point out the number of scholarships we have awarded is but a fraction of the total needed.

Those who have completed their graduate work with AIS assistance are now engaged in making positive contributions to their respective States and to the Nation by actively participating in tribal and community affairs.

In a study done by our organization we found that the number of Indian men and women desirous of attending graduate school has increased by 784.3 percent since 1967.

Due to financial difficulties and shortages in academic year 1982–83 we were able to partially assist only 161 students through June 1, 1983. This is less than 16 percent of the 1,000 established estimate of Indian graduate students nationally.

A realistic congressional appropriation of $2,500,000 would enable AIS to provide financial assistance to 325 academic year and summer school students.

Graduate school annual costs range from $7,000 to $20,000, depending upon the discipline.

Very important in our work is the fact that virtually every major Indian organization, national and local, acknowledges the contribution made by AIS. Indian groups and professional associations, including but not limited to the National Congress of American Indians, the National Tribal Chairmen's Association, Americans for Indian Opportunity, Association of American Indian Physicians, as well as tribal groups and individuals, have all supported AIS activities through resolutions, letters and sponsorships.

### PREPARED STATEMENT

Senator McClure. Thank you very much for your testimony. Your entire testimony will be placed in the record and the exhibits will be placed in our file.

Mr. RAINER. Thank you very much.

[The statement follows:]

### STATEMENT OF JOHN C. RAINER, SR.

My name is John C. Rainer, Sr., a Taos Pueblo Indian. Exhibit 1 in the appendix explains further my background and credentials for this testimony. Since 1969 to the present, I have been and am the director of American Indian Scholarships, Inc. We were formerly affiliated with the University of New Mexico in Albuquerque, but are now based on the Taos Pueblo Reservation.

American Indian Scholarships, Inc. (AIS) is a nonprofit, tax-exempt (501–c–3) organization. It is national in scope and assists eligible Indian applicants who are one-quarter or more of Indian blood quantum and are members of federally recognized tribes. Our primary purpose is to provide financial assistance to deserving American Indian post-graduate students working toward master's and Ph.D. degrees.

We consider our scholarship assistance program to be an investment in training productive Indian citizens who will contribute to the upgrading of the health and living standards in the Indian community and, by doing so, will ultimately exonerate the stereotyped image which has been well-established and associated with the American Indian people.

Public Law 93–638 mandates increased self-determination for American Indians and corollated increased expectations and responsibilities. No one needs to be convinced that there is a need for Indian people who have the professional expertise to carry on a tribal community's economic, social, health, political, and educational operation.

However, for an Indian graduate student, the most difficult obstacle in becoming trained to become a professional is finding adequate financial resources. Because of historical happenstance, most Indians are the products of rural and poor educational background. In addition, they most likely find themselves at the lower rung of the ladder in almost every respect to health, socio-economic and educational standards as compared to non-Indians. By the time an Indian man or woman decides to embark on advanced studies at the master's and Ph.D. levels, he or she is usually mature, married or divorced with dependents, and has family and home responsibilities. Many also have unique tribal obligations. The usual financial obligations such as house payments, car payments and groceries leave little if anything, for tuition and fee costs.

AIS, Inc. was established as a result of the findings by former Bureau of Indian Affairs Commissioner, Mr. Robert L. Bennett, an Oneida Indian, who observed an almost total lack of professionally trained Indian men and women in the high rated decisionmaking Government positions on the various Indian reservations, agencies, and area offices, including the Department of the Interior in Washington, D.C.

Indian America is different today because there are now some professionally trained Indians in responsible Government positions. Many of these are past AIS scholarship recipients.

At this time, the United States is in difficulty because of inflation and unemployment. TV camera people are having a field day photo-broadcasting scores of cases of personal economic tragedies. The country is greatly disturbed by the over 10 percent national unemployment rate, but this is an old song in Indian communities and reservations where unemployment runs as high as 49 percent year in and year out. Another old song concerns the average yearly income for an Indian family today, which falls below the poverty level. this situation continues to make it virtually impossible for an Indian family to provide financial support for a student desiring a post-graduate degree.

Since 1967, the number of Indian men and women wishing to study at the graduate level has increased by 748.3 percent. Because of this increasing number of Indians seeking master's and Ph.D. degrees, AIS has grown from an organization helping only 15 students in 1970 to awarding almost 2,700 scholarships by the end of academic year 1982–83.

Americans have witnessed the remarkable advances that other minorities have made in the past decades. These communities are producing an increased number of trained professionals. This is the direct result of the educational funding and opportunity provided by American's citizens, foundations, religious organizations, and corporations.

On the other hand, getting educational funding for Indian graduate students from America's citizen's and organizations is most difficult. This is largely due to the myths of the past. Misconceptions still exist, such as the notion that Indians are federally cared for from cradle to grave. Of the 281 federally recognized tribes in the United States, nearly all have to contend with below average resources. In fact, only 46 tribes have had the financial means to partially fund even the most needy undergraduates. Most tribes are unable to help their own members and Federal support is extremely limited.

It is also commonly believed that numerous Goverment resources for Indian education make private and corporate aid unnecessary. The reality is that previous limited Federal support to Indian education programs has been dramatically decreased.

Today, there exists a tremendous challenge. American Indian communities are at the crossroads. They are faced with a growing population, increased demand for services, and the loss of their water, land, and natural resources. The Indian's unique heritage and way of life, legacies to America, are being steadily eroded by space-age pressures.

To respond effectively, educated leaders and professionals are critically needed by tribal governments, reservation businesses, and services. Advanced education for American Indians is the key to meet the challenge.

For more than a decade, AIS has been a strong advocate for expanding Indian educational opportunities, which in turn, upgrade the Indian standard of living. Now, more than ever, there is a need for financial assistance to the Indian graduate students who want to devote their careers to strengthening this Nation's smallest of communities. The adage of the weakest link in the chain applies. America should develop its strength in every segment of its population by providing professional growth. This is America's investment for the future.

No one can deny the fact that it is much better to have a productive, contributing citizen than a welfare recipient. Newsweek magazine, October 18, 1982, printed: "Even the most cost-conscious society should recognize that money spent on human capital is the single most important investment it can make." If adequate funds become available for American Indian graduate education, the American Indian community can provide more professionals to serve not only the Indian people, but the entire country.

In America, we can turn out a new car in hours, but it still takes about 30 years to trun out a trained, knowledgeable leader, scientist or professional—an individual with the skills to benefit our society.

We urgently request that a realistic sum of $2,500,000 be appropriated by Congress and designated as a line item to be contracted to AIS, Inc. by the Bureau of Indian Affairs. Disappointing information is already on hand. Fiscal year 1983 appropriations for Indian graduate and undergraduate education is $27.15 million. Fiscal year 1984 OMB's budget recommendation is $26.043 million. This is $1.107 million less than the already inadequate appropriation of fiscal year 1983.

If a full $2,500,000 were appropriated, this sum would provide financial assistance to 300 Indian graduate students for the regular academic year, plus assisting about 25 students attending summer school. (The summer school students usually take time away from their work in order to fulfill the remaining credit hours required for a degree.)

Despite the increase in the number of Indian men and women seeking graduate degrees, the yearly congressional appropriation request made by the Bureau of Indian Affairs to higher education has remained unchanged. This minimal sum of $1,200,000 divided two ways between the University of New Mexico Indian Law Center and AIS, Inc. is not enough to assist Indian men and women working toward advanced degrees.

## STATEMENT OF CLARENCE SKYE, EXECUTIVE DIRECTOR, UNITED SIOUX TRIBES OF SOUTH DAKOTA

**ACCOMPANIED BY:**

**LARRY COURNOYER, CHAIRMAN, YANKTON SIOUX TRIBE**

**BOB PHILBRICK, CHAIRMAN, CROW CREEK SIOUX TRIBE OF SOUTH DAKOTA**

**BOB BRUNETT, COORDINATOR, BLACK HILLS STEERING COMMITTEE**

Senator McCLURE. We will next hear from the United Sioux Tribes of South Dakota. Clarence W. Skye.

Mr. SKYE. Senator McClure, I have with me the chairman of the United Sioux Tribes, Larry Cournoyer, who is also chairman of the Yankton Sioux Tribe, on my right; on my far right I have Bob Philbrick, chairman of the Crow Creek Sioux Tribe of South Dakota; and on my left I have Bob Brunett, coordinator of the Black Hills Steering Committee.

I will give a minute or two to the chairman of the United Sioux Tribes after my brief statement.

Mr. Chairman, the United Sioux Tribes of South Dakota consists of 11 Sioux Tribes in North Dakota, South Dakota, and Nebraska.

We have worked for years to support our Sioux Tribes in our area. Mr. Brunett, who is with me on my left, has done much work over the years to support Indian legislation.

One of the things that we have run into that is very difficult is that we have received no detailed budget from Indian Health Service. It must be difficult for Indian Health Service to include Indian tribes in their budget development and all the information that Indian Health Service has.

I would view this as a constructive effort on Indian Health Service's side to include the tribes in their makeup of the budget as we have had many things that have happened to us over the years.

We have been told many times that we are on a priority list for hospitals—one, two, and three—and we find out from the Director of Indian Health Service that we are not even included on the list or that we are down somewhere near the bottom.

We many times have been in a situation where we cannot cope with the detailed portion of the budget that Indian Health Service has and many times find it difficult to relate the information to the committee.

We have also included the testimony of the Santee Sioux Tribe. The chairman, George Allen, had to go to another meeting, so I am submitting his testimony along with ours also.

We are very supportive of the CHR program. We need the program very badly. It helps the elderly and the sick in the districts and the communities.

We also need a mental health program, the drug abuse program, the alcoholism program, and the contract care program. That is very necessary to our livelihood in our area.

We lack professional recruitment for medical people in our hospitals in South Dakota, North Dakota, and Nebraska.

At this time I would like to have Larry Cournoyer, chairman of the United Sioux Tribes, make a brief comment.

Mr. COURNOYER. Thank you, Mr. Chairman.

My comments are in general, in relation to all the tribes.

We do have some problem with the fact that the Indian Health Service has gone away from the establishment of the original system for the funding of hospitals. There were three or four tribes in the United Sioux tribal governing area that were on the priority listing that have been somewhat left off. This establishment of this listing or this prioritizing came about in the past 3 years, and Rosebud was on there second, Yankton was third, and I believe Crow Creek and possibly another tribe in the Aberdeen area were on that first five prioritized list from the Indian Health Service. And yet they have gone on to build hospitals in other areas. We would like them to go back to that system.

I believe all the tribes in the area oppose the reduction of funds or the complete elimination of funds for the CHR programs.

I think the President's policy is good. We need to see the dollars that go with it. We need to see the irrigation programs funded and the economic development opportunities made available to enhance the lives of the people on the reservation. We just don't need the talk.

Thank you.

Senator MCCLURE. Thank you very much.

I can understand your concern when year after year the list gets revised and everytime it gets revised you get moved down. I don't know the specific reasons why that may be so, but we will make inquiry. It is a large dollar amount asked for in that.

Mr. COURNOYER. Thank you.

[The statement follows:]

### STATEMENT OF CLARENCE SKYE

Mr. Chairman, subcommittee members, ladies and gentlemen. I am Clarence Skye, executive director of United Sioux Tribes of South Dakota.

The health needs of the American Indian are greatly impacted by environmental conditions, social factors, and prevailing economic conditions which are all deteriorating. The American Indian exists in a vacuum unlike that which affects any other American. Secretary Watt recently made a statement about the American Indian that holds some validity but is tremendously misleading. There is no socialism among the Indian people and the effort to exist cooperatively is misinterpreted to be socialistic. Unfortunately, the United States, through its various officials, misunderstand the objectives and goals of the American Indian people and have refused to provide investment funds through which the Indian can develop and utilize his own resources including some health resources that have been a part of the tribe for centuries.

Today I would like to highlight six major areas of vital and crucial importance for the Sioux Tribes. They are: (1) the lack of sanitation, (2) lack of construction and improvement funds for hospitals and clinics, (3) an increase in contract health care, (4) an increase and set aside for preventive programs, (5) the maintenance of the CHR program, and (6) health professionals recruitment.

(1) The lack of sanitation facilities is of concern to United Sioux Tribes, particularly at this time when HUD funding for sanitation has been cut to zero. New housing being constructed is useless without adequate sanitation. There is, at this time, an urgent need to resolve the differences between the Indian Health Service and the Department of Housing and Urban Development. We submit to the committee due to the uncertainness of funding to provide sanitation facilities for the newly constructed units, that the committee resolve this need for additional funding for HUD units as neces-

sary. United Sioux Tribes would like to recommend that this committee take a lead in bringing these problems to a prompt positive conclusion.

(2) United Sioux Tribes is deeply concerned with the lack of construction and improvement funds for hospitals and clinics on the Sioux Reservation. In 1981, Dr. Emery Johnson, Director of IHS at that time, established a bed methodology system that was used to prioritize the unmet IHS facility needs. There was a ranking list of the top five inpatient care facilities and top five ambulatory care facilities. I am attaching a copy of the rankings for your review. You will note that Rosebud, Wagner, and Pine Ridge, S. Dak., inpatient care facilities were ranked two, three, and four consecutively. But according to the summary of Indian health facilities project, fiscal year 1982–84, Tahlequah, Okla., hospital was replaced; Anadarko, Okla., outpatient care facility was replaced; as well as Tsaile, Okla., and Huerfano, N. Mex. Health Center.

*Inpatient care facilities priority system*

| Priority: | Location |
|---|---|
| 1 | Anchorage, Alaska. |
| 2 | Rosebud, S. Dak. |
| 3 | Wagner, S. Dak. |
| 4 | Pine Ridge, S. Dak. |
| 5 | Sacaton, Ariz. |
| 6 | Talihina, Okla. |
| 7 | Gallup, N. Mex. |
| 8 | Shiprock, N. Mex. |
| 9 | Hopi, Ariz. |
| 10 | Belcourt, N. Dak. |
| 11 | Winnebago, Nebr. |
| 12 | Clinton, Okla. |

United Sioux Tribes would recommend at this time that the Federal Government, through this committee, establish and maintain a policy for the equal and fair funding of the construction and improvement for health facilities similar to the bed methodology priority system.

(3) Although there is a proposed increase of 6.6 percent in contract health care moneys for 1984, there exists at this time a policy that these funds are to be used only in life threatening situations. United Sioux Tribes is concerned that those people who have no other resources (including those receiving IHS direct services) have no option but to allow their medical condition to deteriorate to the level of life threatening status to receive medical attention. This is an in-house IHS policy but we would like to make you aware of the health complications that this policy provides. It reduces health care to crisis care rather than preventive care.

(4) In the area of preventive programs, United Sioux Tribes would like to emphasize specific unmet and critical health needs. First of all, we concur and would like to reemphasize the IHS statement on alcoholism: "It is a widely held belief that 95 percent of American Indians are affected directly or indirectly by a family member's abuse of alcohol . . .. In addition to social devastation alcoholism causes or contributed to an array of physical disabilities that must be treated by IH S. . .." We wholeheartedly support the requested increase and are appreciative but believe the figure ought to be doubled.

In addition, United Sioux Tribes believes the enforcement agencies charged with the apprehension of drug trafficking and abuse should be given more authority. United Sioux Tribes recommends that the alcoholism program should be reinforced by adding set aside funds for chemical abuse programs as chemical abuse is also contributing to the deteriorating social system on the reservation.

The need for preventive mental health programs on the Sioux reservations is and has been at a critical level with facilities and staff practically nonexistent. In the Aberdeen area the only alternatives to meet these needs are geographically and unrealistically unavailable except through contract care which is limited to life threatening situations. At the present time, the suicide rate is increasing on the reservations, particularly among the young coupled with a lack of life coping skills, leaving reservation members in a frustrating position.

United Sioux Tribes recommends $1 million be added to the Aberdeen area budget to meet the acute mental health needs of our people.

(5) According to the proposed budget, the community health representatives program is not funded at all in fiscal year 1984. CHR's have been in existence since 1968 and have since been established not only as an integral part of Indian health care but as positively impacting on the elder.

United Sioux Tribes is totally opposed to the elimination of CHR's in fiscal year 1984, and we do not concur with Indian Health Service's position of remaining silent, particularly when Indian Health Service has always been an advocate of this program carrying out preventive medicine. Further, Indian Health Service has consistently demonstrated the positive impact of the CHR program in keeping Indian people, particularly the elderly, healthy. United Sioux Tribes and Indian Health Service will witness a dramatic increase in the number of patients that will overload the health care system impacting the quality of health care.

(6) There exists at this time among the Sioux reservations, a lack of doctors, nurses, and other professional medical personnel for staffing at the existing hospital facilities which contributes the lowered quality health care as well as a high turnover in professional staffing.

United Sioux Tribes does not support IHS's silence in area of recruiting qualified medical personnel. United Sioux Tribes recommends money be appropriated to provide the effective recruitment to insure properly trained medical personnel be available to provide quality health care. The situation will remain status quo until tribal officials are integrally involved in the acquisition and orientation of these medical personnel. United Sioux Tribes is opposed to the funding cut of which is currently proposed by IHS for scholarships and grants for Indian students who are interested in pursuing a career in the field of health.

Finally, United Sioux Tribes recommends that any reimbursements from medicare/medicaid and other third party resources collected in the Aberdeen area be maintained and distributed in the Aberdeen area to meet our people's acute health needs.

I have briefly mentioned the major areas of concern that United Sioux Tribes holds with regard to the acute health conditions that affect the health of Indian people. Positive change needs to occur. The ability of Indian people to truly become self-determining is intricately related to our health, both as individuals and as a community. IHS is a vital and in some cases, solitary health resource with a unique mission in providing health care to Indian people. To carry out this mission, we look to this committee to adequately fund the above six areas to assure that there will be provisions of high quality care as well as meeting our acute health care needs.

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## RESOLUTION NO. 83-23

## RESOLUTION OF THE OGLALA SIOUX TRIBAL COUNCIL OF THE OGLALA SIOUX TRIBE

(An unincorporated Tribe)

Resolution to oppose any South Dakota nuclear dump which could impact on Pine Ridge or any other Sioux Nation.

WHEREAS, the Nuclear Waste Policy Act of 1982 specifies that tribal governments must be consulted in the licensing of any nuclear dump, and

WHEREAS, we support Governor Janklow's 1982 policy statements in which he opposed any nuclear waste dumps in South Dakota, and

WHEREAS, Pine Ridge covers a 50-by-90 mile rectangular area in the southern part of South Dakota approximately 35 miles from a proposed igloo low level nuclear waste dump site, and

WHEREAS, Pine Ridge Reservation is the homeland of 18,500 Oglala Sioux people, and

WHEREAS, the health and future of our people as a nation would be affected by the radioactive contamination of our land, water, and air now or in the future, now

THEREFORE BE IT RESOLVED, that the Oglala Sioux Tribe does hereby state its opposition to the proposed low level nuclear waste dump site in Edgemont, S. Dak., and

BE IT FURTHER RESOLVED, that the Oglala Sioux Tribe believes the State of South Dakota should hold public hearings on all affected reservations and in all off-reservation affected areas prior to joining the midwest low level nuclear waste compact or any such compact for disposal of nuclear waste (SB 248).

CERTIFICATION

I as undersigned, Secretary of the Oglala Sioux Tribal Council, hereby certify that this resolution was adopted by a vote of: 23 for; 0 against; and 0 not voting, during a Regular Session held on the 15th day of February, 1983.

(Signed) EILEEN H. IRON CLOUD,
*Secretary, Oglala Sioux Tribe.*

Attest:

(Signed) JOE AMERICAN HORSE,
*President, Oglala Sioux Tribe.*

## STATEMENT OF JOHN TIPPECONNIC, PRESIDENT, NATIONAL INDIAN EDUCATION ASSOCIATION

## ACCOMPANIED BY KAREN FENTON, VICE PRESIDENT, NATIONAL INDIAN EDUCATION ASSOCIATION

Senator **MCCLURE**. The National Indian Education Association. Mr. John W. Tippeconnic.

Senator **MCCLURE**. As these people are taking their seats at the witness table I will have to announce that I am necessarily called away for another meeting at 4 o'clock. I will ask that staff hear the last five witnesses and make their statements a part of the record.

I apologize to those who have not yet been heard, but I will look at the statements.

Thank you very much.

Mr. **TIPPECONNIC**. My name is John Tippeconnic. I am the president of the National Indian Education Association. With me is Karen Fenton, who is a vice president of NIEA.

NIEA is a membership organization comprised of approximately 1,300 members who are extremely interested and concerned about the condition of Indian education.

We are concerned about the totality of programs that affect American Indian students. However, today our oral testimony will primarily focus upon the fiscal year 1984 budget proposal to terminate title IV, Indian Education Act programs.

In our prepared statement we also have recommendations concerning the BIA and Indian Health Service budgets.

NIEA is strongly opposed to the President's $13 million rescission in 1983. We are deeply concerned about the $1 million phaseout and termination budget requested for fiscal year 1984.

The administration contends that the termination of title IV is justified given their policy regarding separate funding for Indians not on reservations and that $250 million will be available to benefit Indian students participating in impact aid, chapter I, bilingual education, and vocational education programs.

NIEA questions this reasoning and justification.

First, we consider their policy of funding only reservation Indians as a direct violation of the Federal Government's responsibility for Indian education. Indian students have special educational needs regardless of where they live.

We believe that title IV was passed in recognition of the Federal responsibility for the education of Indian students. The intent of title IV was to be inclusive by having the provisions of the act apply to all Indians, Eskimos, and Aleuts in this country.

NIEA questions whether $250 million will be available to Indian students participating in impact aid, chapter I, bilingual education, and vocational ed programs, especially at this time when we are experiencing budget reductions and an increase in block grants to States.

We request that the Appropriations Committee ask the administration for a detailed account of past, present, and future Indian participation in these programs and clearly show how these programs will meet the educational needs of Indian students currently addressed by title IV.

We also resent the administration implying that these programs will take the place of title IV. These programs are for different purposes and meet different educational needs. In fact, there are two recent GAO audits that clearly show that duplication is minimal in these programs when compared to title IV.

NIEA opposes the administration's proposal to terminate special Indian legislation and lump Indian students into programs with minority groups. Title IV represents Federal recognition and responsibility for Indian education and has nothing to do with other legislation designed to address problems of students who meet certain educational, social, or economic criteria.

In our prepared statement we give an impact of title IV, taking it by each part, A, B, and C. I will not go into detail regarding the data that we present.

Suffice it to say at this point that the data shows that title IV has been extremely successful.

We oppose the administration's belief that title IV is an unnecessary program, and we make the following recommendations:

One, that the administration's proposed fiscal year 1983 rescission be rejected.

Two, the full authorized funding level for title IV programs in fiscal year 1984, or at the very least the fiscal year 1981 appropriation of $81,680,000 be authorized for 1984.

We also request that the committee review the following data sources in making the fiscal year 1984 budget decisions:

The process evaluation of title IV completed in 1978.

The results of the national impact evaluation of title IV scheduled for completion this spring.

The followup study of participants in the fellowship and educational personnel development programs.

The results of the national adult Indian education need survey completed in 1981.

And the National Advisory Council annual reports.

We feel that this data will clearly show that title IV has been an extremely successful program.

In conclusion, the Indian Education Act has faced a very difficult and trying history.

Thank you.

Ms. RICHARDSON. Our next witness is Grayson Noley from Penn State University.

[No response.]

Ms. RICHARDSON. Cheyenne River Sioux Tribe. Susan Williams.

[The statement follows:]

## STATEMENT OF JOHN W. TIPPECONNIC, III

Mr. Chairman and members of the committee. My name is John W. Tippeconnic, III. I am the president of the National Indian Education Association (NIEA). NIEA is a membership organization with a national constituency of 1,300 members possessing vital concerns and involvement in the different programs designed to improve the status of Indian education. The association is governed by a 15-member, all Indian Board of Directors, who are elected by the membership and who represent diversified geographic and tribal backgrounds.

If the Reagan administration has its way, the future of Indian education is in serious jeopardy. There is a state of frustration, confusion, and uncertainty about what is going to happen in Indian education. The administration has questioned the Federal role in education by openly stating that the education of American Indians is not a trust responsibility. The result could be the disappearance of Indian education programs, including Bureau of Indian Affairs education. The President has already proposed the termination of title IV of the fiscal year 1984 budget. NIEA believes the administration's position is erroneous and that human development or the education of American Indians is a trust responsibility. Treaties, court decisions, congressional reports and acts support our claim.

NIEA is concerned with the totality of programs that affect American Indian students. However, our testimony will focus on the administration's fiscal year 1984 budget proposal to terminate title IV, Indian Education Act programs. Certain recommendations will also be made concerning the Bureau of Indian Affairs and Indian Health Service budgets.

### TITLE IV, INDIAN EDUCATION ACT PROGRAMS

NIEA is strongly opposed to the administration's proposed $13 million recission in 1983 and is deeply concerned about the proposed $1 million "phase-out and termination" budget request for fiscal year 1984. The administration contends that the termination of title IV is justified given their "policy regarding separate funding for Indians not on reservations" and that "$250 million will be available to benefit Indian students participating in the impact aid, chapter 1, bilingual education and vocational education programs." Other programs are also mentioned for which Indians are eligible participants.

NIEA questions the administration's justification for the following reasons:

Their policy of funding any reservation Indians is in direct violation of the Federal Government's responsibility for Indian education. Indian students have special educational needs regardless of where they live. We believe that title IV was passed in recognition of the Federal responsibility for the education of American Indians. And the intent of title IV was to be inclusive by having the provisions of the act apply to all Indians, Eskimos, and Aleuts in this country (S. Rept. 92-346).

NIEA questions whether $250 million will be available to Indian students participating in impact aid, chapter 1, bilingual education and vocational education programs. Especially at a time when these programs are experiencing budget reductions and when block grants to States are increasing. We request that this Committee on Appropriations ask the administration for a detailed account of past, present, and future Indian participation in these programs and clearly show how these programs will meet the educational needs of Indian students currently addressed by title IV programs.

We also resent the administration implying that these programs (impact aid, chapter

1, bilingual education, vocational education and others) will take the place of title IV. Those programs are for different purposes and meet different educational needs. In fact, there have been two GAO audits that investigated duplication of services between title IV and other education programs. Both found duplication to be minimal.

NIEA opposes the administration's proposal to terminate special Indian legislation and lump Indian students into programs with minority groups. Title IV represents Federal recognition and responsibility for Indian education and has nothing to do with other legislation designed to address problems of students who meet certain educational, social or economic criteria.

## IMPACT OF TITLE IV

In 1972 Congress passed the Indian Education Act in recognition of the special educational and culturally related academic needs of Indian students (as amended). The act authorized three major programs, two (parts B and C) provide discretionary funds to Indian tribes, Indian organizations and institutions. A fellowship program is also included. The third, and largest, program is part A which provides entitlement funds to public schools and Indian controlled schools to meet the culturally related academic needs of Indian students. Since 1972 title IV has developed into a major Indian education program that is recognized nationwide for its success in meeting the educational needs of Indian students. Selected comments about parts A, B, and C follow:

Part A—An estimated 315,602 Indian students are being served in fiscal year 1983. Termination of title IV would result in over 300,000 students without programs to meet their educational needs.

A national process evaluation of part A in 1978 found that there were perceptions of improvement in all educational and social aspects of the Indian child. The improvement was directly attributed to title IV. The evaluation went on to recommend that the funding of part A should continue and be increased in future years.

Meaningful parental involvement has increased significantly. Over 11,000 parents are actively involved in part A parent committees.

Approximately 6,500 professionals, paraprofessionals and support staff are employed by part A projects.

Part B—During fiscal year 1981 8,028 participants were involved in 70 projects. For fiscal year 1983 4,208 participants are involved in 45 projects. The high figure of 8,028 represents only a part of the Indian population that have expressed educational need under part B.

The educational personnel development and fellowship programs have been highly successful in developing educational/professional leadership that is now making its presence felt in schools, tribes, professional organizations, and governmental agencies.

Part C—During fiscal year 1981 15,732 participants were involved in 50 projects. For fiscal year 1983 9,739 participants are involved in 29 projects. The high figure of 15,732 represents a small part of the Indian population that have expressed needs in adult education.

Activities have resulted in the reduction of the illiteracy rate, increased the mastery of basic skills, increased the development of relevant curriculum materials, and increased GED attainment.

NIEA is concerned that the National Advisory Council on Indian Education has not been able to carry out its functions as mandated in the Indian Education Act. We request adequate funding for NACIE to meet its mandate.

NIEA opposes the administration's belief that title IV is an "unnecessary program." We feel title IV should continue and be increased in funding if we are to continue the progress made since 1972.

## RECOMMENDATIONS

*Title IV, Indian Education Act programs—*

1. That the administration's proposed fiscal year 1983 recission be rejected.

2. The full authorized funding level for title IV programs in fiscal year 1984 or at the very least the fiscal year 1981 appropriation of $81,680,000.

3. That the committee review the following data sources in making fiscal year 1984 budget decisions: A. The process evaluation of title IV, part A completed in 1978; B.

The results of the national impact evaluation of part A, scheduled for completion this spring; C. The follow-up study of participants in the fellowship and educational personnel development programs; and D. The results of the national adult Indian education need survey completed in 1981.

*Bureau of Indian Affairs*—

1. NIEA is opposed to the fiscal year 1984 proposed decrease in funding for the Johnson-O'Malley program and the higher education student grant program and recommends that both be funded at the fiscal year 1983 levels.
2. NIEA recommends that the fiscal year 1984 budget for tribally controlled community colleges allow sufficient funds to allow $4,000 per Indian FTE.
3. NIEA recommends that no off-reservation boarding school (Mount Edgecumbe, Concho, Wahpeton, and Intermountain) be closed until the GAO report had been considered and until active and proper consultation has taken place with the affected tribes.

*Indian Health Service.*—NIEA recommends that the INMED program continue to be funded as a line item in the Indian Health Service budget and that the fiscal year 1984 funding be at the current level of funding.

## STATEMENT OF MORGAN GARREAU, CHAIRMAN, CHEYENNE RIVER SIOUX TRIBE

ACCOMPANIED BY:
HAROLD CONDON, TREASURER, CHEYENNE RIVER SIOUX TRIBE
SUE WILLIAMS, CHEYENNE RIVER SIOUX TRIBE

Mr. GARREAU. Ms. Richardson, my name is Morgan Garreau, and I am the chairman of the Cheyenne River Sioux Tribe. With me today is Harold Condon, the treasurer of our tribe, to my right; and to my left is Mrs. Sue Williams.

We are here today to express concern over the President's effort to determine policy through the appropriation process. At Cheyenne River we have three major areas of concern.

First is the Moreau River irrigation project. The Moreau River irrigation project of the Cheyenne River Sioux Tribe has been developed to irrigate approximately 1,000 acres of tribally-owned land.

Since land is the tribe's primary resource, it is imperative that optimum utilization of each acre be accomplished. This situation has been underscored by the recent filling of the Oahe Reservoir, which flooded approximately 105,000 acres of prime Indian land.

In the past, the land included in this project has been used for limited farming and cattle grazing. This underutilization of the land is due to the inability of the tribe to irrigate land that can yield eight potential crops: (1) alfalfa hay; (2) corn grain; (3) corn silage; (4) winter wheat; (5) spring wheat; (6) barley; (7) oats; and (8) soybeans.

The primary benefit of irrigated land to the tribe is obviously an economic one. The tribal government and its people will benefit from the added revenues produced by tribal land. Increased productivity of the land will help in the inducement of safeguards in the form of land reforms, zoning, and codification.

The most important secondary benefit to the tribe incorporated in the development of the Moreau irrigation unit is the labor required for crop production. With an unemployment rate on the reservation of approximately 75 percent, the labor force necessary can be provided by tribal members under the supervision of the farm manager.

Another benefit of this project is the ability of the tribe to produce consumable crops for sale on the reservation and exportation to other areas. Consumable crops for livestock may also be raised and will impact costs for local farmers and ranchers who buy these crops for feed as far away as 200 miles.

At the present time $480,000 has been appropriated to build this irrigation project.

Ms. RICHARDSON. Was that through the BIA?

Mr. GARREAU. Yes.

As a result of a study by the Soil Conservation Service of the U.S. Department of Agriculture completed in November 1982, it is anticipated that approximately $874,550 must be appropriated for project completion, bringing the total project cost to $1.4 million.

It is because of both the excellent economic forecasts of this project and the far-reaching long- and short-term impact of the Moreau River irrigation project that additional funds in the amount of $874,550 are being requested for project completion.

Our second concern is education. Two major budget items have great importance to the Cheyenne River Sioux. The proposed reduction of school board training funds from $800,000 in fiscal year 1983 to $25,000 in fiscal year 1984 is highly objectionable. This reduction is coming at a time when the Bureau of Indian Affairs has failed to publish school standards, a management information system, and other key aspects of the education program.

The Bureau of Indian Affairs has been reorganizing and changing reporting formats and has failed to appoint a permanent director. Yet the Bureau reasons money can be saved by cutting off the school board training fund. This money is vitally necessary to enable school boards to carry out the legislative requirements in Public Law 95-561.

The Indian Education Act is another tremendously important program. The attempt to terminate it is contrary to the intent of Congress. Of all the funds provided for Indian education, the title IV moneys authorized and appropriated under the Indian Education Act are the only funds which are directly controlled by Indians and which are responsive to their special educational needs.

The elimination of title IV funds would have a very specific and harmful impact on the education of our children at the Cheyenne River Reservation. The tribe would lose approximately $375,000 in funding, and services now being provided with these moneys in Eagle Butte, Red Scaffold, Dupree, Faith, Timberlake, and Isabel would have to be terminated.

Finally, I would like to bring to the committee's attention my tribe's strong objection to the administration's attempt for the second consecutive year to eliminate all funding for the community health representative program. The Congress rejected the efforts of the administration to do so last year, and we urge you to do the same this year.

As you will recall, Congress appropriated some $200,000 for this fiscal year for the preparation of an evaluation of the program. That evaluation is not yet completed, and we think that it is clearly premature for the program to be eliminated at this time.

Ms. RICHARDSON. Thank you.

[The statement follows:]

STATEMENT OF MORGAN GARREAU

Mr. Chairman and members of the committee, my name is Morgan Garreau and I am the chairman of the Cheyenne River Sioux Tribe of South Dakota. With me today is Harold Condon, the treasurer of our tribe.

We are here today to express concern over the President's effort to determine policy through the appropriation process. At Cheyenne River we have three major areas of concern.

First is the Moreau River irrigation project. The Moreau River irrigation project of the Cheyenne River Sioux Tribe has been developed to irrigate approximately 1,000 acres of tribally-owned land. Since land is the tribe's primary resource, it is imperative that optimum utilization of each acre be accomplished. This situation has been underscored by the recent filling of the Oahe Reservoir, which flooded approximately 105,000 acres of prime Indian land. In the past, the land included in this project has been used for limited farming and cattle grazing. This underutilization of the land is due to the inability of the tribe to irrigate land that can yeld eight potential crops: (1) alfalfa hay; (2) corn grain; (3) corn silage; (4) winter wheat; (5) spring wheat; (6) barley; (7) oats; and (8) soybeans.

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Another benefit of this project is the ability of the tribe to produce consumable crops for sale on the reservation and exportation to other areas. Consumable crops for livestock may also be raised and will impact costs for local farmers and ranchers who buy these crops for feed as far away as 200 miles.

At the present time, $480,000 has been appropriated to build this irrigation project. As the result of a study by the Soil Conservation Service of the U.S. Department of Agriculture completed in November 1982, it is anticipated that approximately $874,550 must be appropriated for project completion, bringing the total project cost to $1.4 million. It is because of both the excellent economic forecast of this project and the far-reaching long- and short-term impact of the Moreau River irrigation project that additional funds in the amount of $874,550 are being requested for project completion.

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Finally, I would like to bring the committee's attention my tribe's strong objection to the administration's attempt for the second consecutive year to eliminate all funding for the community health representative program. The Congress rejected the efforts of the administration to do so last year, and we urge you to do the same this year. As you will recall, Congress appropriated some $200,000 for this fiscal year for the preparation of an evaluation of the program. That evaluation is not yet completed, and we think that it is clearly premature for the program to be eliminated at this time.

We believe that the reason being given as the basis for doing away with the CHR program—namely, that it does not actually result in "patient" care—simply does not stand up. On our reservation the program is vital because it brings health care into Indian homes where tribal members, because of geography and other physical factors, otherwise would not have access to such care.

Thank you, again, Mr. Chairman, for this opportunity to review a number of the appropriations matters of great concern to the Cheyenne River Sioux Tribe. I would be happy to respond at this time to any questions which the committee may have.

## STATEMENT OF LORETTA MILLER, MEMBER, CROWNPOINT HOSPITAL PLANNING BOARD

Ms. MILLER. Thank you very much, Ms. Richardson.

This hearing marks the third consecutive time representatives of the Crownpoint Hospital Planning Board, representing the Eastern Navajo of New Mexico, have come before this committee to testify on the urgency of replacing the 43-year-old Crownpoint Indian Health Service Hospital in Crownpoint, N. Mex.

In June 1981 Congress gave approval for funding in the amount of $1.3 million to plan and design the new health facility in Crownpoint. In 1982 this funding was released, and as of his date the planning and designing is on schedule with the anticipated completion date no later than February 1984.

The congressional approval to fund the designing of this new facility indicates to us that Congress is concerned and dedicated to seeing that this new facility is completed.

Failure to receive congressional approval will set aside $1.3 million of hospital design moneys indefinitely; the cost of construction will increase each year the project is delayed; the health and welfare of the Crownpoint Hospital employees and the clientele will be jeopardized as the old facility continues to age; and a large area of the Crownpoint service unit will remain medically underserved due to our outdated hospital.

Therefore, we seek Congress to assign and consider as its priority to replace the Crownpoint Hospital and make provision of sufficient funding to start construction as soon as planning and architectural design are completed.

The Crownpoint Hospital Health Service Center serves approximately 13,000 population scattered over 4,000 square mile area of desolate land in northwestern New Mexico. The existing 37-bed hospital is 43 years old. This hospital has outlived its intended purpose and is inadequate in terms of the current programs and equipment. As a result, many of our patients are referred to other hospitals for medical care needs. Many times the long distance travel of 60 to 200 miles to these facilities is detrimental to the health of our patients.

The Eastern Navajo is located in an area outside the Navajo Reservation adjacent to its southeastern boundary. The Eastern Navajo land is owned by individual Navajos alternated with land owned by the railroad, the State, non-Indians, the Navajo Tribe, and the Bureau of Land Management. The Navajo tribal land is divided into local subdivisions known as chapters, the grassroot level of the tribal government. The Crownpoint Hospital is responsible for the health care services of 16 chapters throughout the service unit.

The Crownpoint Hospital has been the center of focus for planning since 1963. Many public leaders of the State, local, and national level have visited our facility and seen our hospital and expressed dismay over the condition of the hospital. They don't dispute at all that the hospital is long overdue for replacement.

The Crownpoint Hospital is also amidst a mining industrial development. Major industries such as Mobil, Phillips, and Conoco have established in and near Crownpoint for development of uranium and coal mining. Once these industries become operational Crownpoint Hospital is expected to fulfill the health care needs of the expected population growth.

The old facility cannot provide for the screening and treatment of illness and other occupational hazards associated with uranium and coal mining.

Recognizing the condition of the hospital, the industrial development and the growing population, the Navajo Tribe and the Indian Health Service in 1978 placed Crownpoint on the highest priority for replacement.

The Hospital Planning Board has been working since 1979 to bring about the reality of the comprehensive health care facility to the Eastern Navajo people. Since the board's inception the following accomplishments were made to meet the needs of the hospital replacement project: 73.4 acres have been set aside by the Navajo Tribe; the acquisition of $1.3 million for the planning and designing has been accomplished; and the architectural and engineering firm will complete the planning and designing by February 1984.

Ms. RICHARDSON. The subcommittee has managed to maintain the construction programs. It is unfortunate that because of the proposed deferral of the funds last year there has been some delay in designs on a number of facilities. If the committee follows past practice, once the design has been completed then the money will be made available for construction.

Ms. MILLER. Thank you.

[The statement follows:]

### STATEMENT OF LORETTA MILLER

This hearing marks the third time representatives of the Crownpoint Hospital Planning Board and representing the Eastern Navajo have come before this committee to testify on the urgency of replacing the 43-year old Crownpoint Hospital.

## SUMMARY

In June 1981, Congress gave approval for funding in the amount of $1,326,000 to plan and design the new health facility in Crownpoint. In 1982, this funding was released and as of this date the planning and designing is right on schedule with the anticipated completion date in early February 1984. The congressional approval to fund the designing of a new hospital indicates to us that Congress is concerned and dedicated to seeing this project to completion. Failure to receive the congressional approval will: (1) set aside the $1.326 million hospital design indefinitely; (2) the cost of construction will increase each year the project is delayed; (3) the health and welfare of the Crownpoint Hospital employees and the clientele is jeopardized as the old facility ages; (4) large area of the Crownpoint service unit will remain medically under served due to our outdated hospital. Therefore, we seek Congress to assign and consider as your priority to the replacement of Crownpoint Hospital and make provision of $14 million to start construction as soon as the planning and architectural designing are completed.

## BACKGROUND INFORMATION

The Crownpoint Hospital is the health service center for approximately 13,000 population scattered over a 4,000 square mile area of desolate expanse of land in northwestern New Mexico. The existing 37 bed hospital is 43 years old. This hospital has out lived its intended purpose and is inadequate in terms of the current programs and equipment. As a result, many of our patients are referred to other hospitals for medical care needs. Many times, the long distance travel of 60 to 200 miles to these facilities are detrimental to the health of our patients.

The land known as the Eastern Navajo or the checkerboard area is located outside the Navajo Reservation and adjacent to its southeastern boundary. The checkerboard area consists of land owned by individuals (Navajo) alternated with land owned by the railroad, the State, non-Indians, the Navajo Tribe, and the Bureau of Land Management. The Navajo tribal land is divided into local subdivisions knows as "chapters", the grassroot level of the tribal government. The Crownpoint Hospital is responsible for the health care services of 16 chapters throughout the service unit, the second largest number of chapters to be served by a single service unit hospital in the Navajo area.

The Crownpoint Hospital has been the center and focus of planning since 1963. Many public leaders of the State, local, and national have visited and seen our hospital and expressed dismay over the condition of our hospital and they don't dispute the hospital is long overdue for replacement.

The Crownpoint Hospital sits amidst the mining industrial development. Major industries such as Mobil, Phillips, and Conoco have established in and near Crownpoint for development of uranium and coal mining. Once these industries become operational Crownpoint Hospital is expected to fulfill the health care needs of the expected population growth. The old Crownpoint Hospital cannot provide for the screening and treatment of illness and other occupational hazards associated with uranium and coal mining. Recognizing the condition of the hospital, the industrial development and the growing population, the Navajo Tribe and the Indian Health Service in 1978 placed Crownpoint on the highest priority for replacement.

The Crownpoint Hospital Planning Board has been working since June 1979 to bring about the reality of comprehensive health care facility to the Eastern Navajo to fulfill the health care needs of the service unit population. Since the Board inception, the following accomplishments were made to meet the needs of the hospital replacement project: (1) 73.4 acres of Navajo tribal trust land has been donated and set aside to facilitate the construction of the new hospital and staff housing; (2) the acquisition of $1,326,000 for the planning and designing of the new hospital; and (3) the architectural and engineering firm will complete the planning and designing by February 1984.

## APPRECIATION

On behalf of the Crownpoint Hospital Planning Board, Inc., the Eastern Navajo, and the Navajo Tribe, I want to express my sincere appreciation to members of this subcommittee for the understanding and support you have given to the people of the Eastern Navajo. I seek your continued support to get the necessary funding to construct the new hospital in Crownpoint. Thank you for giving me this time.

## STATEMENT OF CARL WALN, PRESIDENT, ROSEBUD SIOUX TRIBE ACCOMPANIED BY DR. CLARK MARQUART, ROSEBUD SIOUX TRIBE

Ms. RICHARDSON. Rosebud Sioux Tribe. Carl Waln.

Mr. WALN. My name is Carl Waln, and I am the president of the Rosebud Sioux Tribe. With me is Dr. Clark Marquart who will assist me in answering questions. He is very knowledgeable of the situation in Rosebud.

Rather than read the entire testimony the tribe is submitting today I would rather try to summarize it and to allow for questions. We are open to questions.

The Rosebud Sioux Tribe is in a health care crisis and has been for the last 10 years. A master plan study to replace our Indian Health Service hospital was completed 10 years ago, in 1973. This hospital was half condemned for safety reasons in 1978 and stands that way today.

The documented morbidity and mortality of the Rosebud Sioux people is startling and is matched by few other groups anywhere in this Nation.

Congress did appropriate fiscal year 1982 funds for the plan and design of a new hospital, but the delays in the release and attempts at reprograming the appropriation tied up the funds for nearly all of fiscal year 1982, though Congress ultimately was able to preserve them for their original intent. Additional delay has resulted from the Federal Government's exceptionally slow processing of the tribe's related Public Law 93–638 contract proposal.

With replacement of the hospital already 10 years behind schedule our people can ill afford further delays. An fiscal year 1984 construction appropriation is needed to prevent a lengthy gap between finishing the plan and design and beginning construction. This greatly needed Federal construction would also provide local jobs. Unemployment on the Rosebud is around 75 or 80 percent.

Since 1972 the IHS has dramatically reduced the size and services authorized by them for the new hospital. A 66-bed planned hospital has become only 35 beds.

For the first time ever surgery was taken out of the plan in December 1981. More precisely, the surgical suite associated beds were removed to an appendix pending possible approval at some future date. During this time our population and health care needs have increased, not decreased.

Contract care budget shortfalls at Rosebud have made matters even worse. We have not received an increase in 3 years, even for inflation, and this has led to increased rationing of health care.

During these 3 years, contract care has been limited to life-or-limb emergencies only, but still runs out. Currently at least one private hospital in South Dakota now refuses Rosebud patient referrals because a signed authorization cannot be offered to them.

As chairman of the Rosebud Sioux Tribe and on behalf of the tribal council and tribal members, I, therefore, make the following three requests to this subcommittee:

No. 1, we request the appropriation to the IHS of fiscal year 1984 construction funds for the purpose of building the new hospital at Rosebud. Such an appropriation is necessary to avoid further significant delay in completing the project.

No. 2, we request that the language of the fiscal year 1984 construction appropriation specify that the hospital be built according to a plan restoring the surgical suite and associated beds.

No. 3, we request that an appropriate increase be made to the IHS contract care budget and that the IHS methods of distributing contract care funds between area offices be closely examined by Congress.

Thank you for the privilege of addressing this committee. We would like to try to answer any questions you might have at this time.

Ms. RICHARDSON. How many beds do you have in the existing hospital?

Dr. MARQUART. Twenty-nine beds now. It used to be 48.

Ms. RICHARDSON. In looking over the IHS material for the past 5 years, in-patient days have been decreasing rather dramatically while the outpatient visits are going up. Is that, in your opinion, because of the closing off of wards, or due to better preventive health?

Dr. MARQUART. The biggest drop in the in-patient load did occur in a 1978 closure of the beds in the old wing of the hospital due to safety reasons. That was the biggest drop. There continued to be drops following that until this past year. We have experienced an increase in average daily patient load at the hospital.

It is my impression that a lot of the decrease had to do with the fact that there were mostly transient or rotating physicians staffing the facility, and at this point in time and over the past year we have had at least half of the staff on a permanent basis, but in 1981 there were over 100 doctors through there. That was the low point.

Ms. RICHARDSON. Do you have surgery provided there now?

Dr. MARQUART. There is no surgery provided at the hospital, meaning that the only surgery available is life-or-limb emergencies elsewhere.

Ms. RICHARDSON. That is not necessarily unusual for an IHS hospital, is it though, not to have surgical staff?

Dr. MARQUART. No; it is not terribly unusual, but you will find in other areas other than the Aberdeen area of the Indian Health Service that generally there is an IHS referral source that internally that surgery can be dealt with. In our case it is dependent on contract care funds exclusively, and by and large the type of surgery that needs to be done that has not reached a critical point is denied.

Ms. RICHARDSON. How many other IHS facilities in your area are also without surgical referrals to an IHS facility?

Dr. MARQUART. Practically all. The only facilities that do have some access to surgery are Pine Ridge, using residents from Nebraska, and surgery is done right there, and to a lesser degree one facility up in North Dakota. I'm not sure which. Otherwise all areas of the Aberdeen area, all service units, are in the same boat.

Ms. RICHARDSON. Have you discussed becoming the surgical referral center for a number of other facilities?

Dr. MARQUART. Yes, we have. Eleonor Robinson, who is the area director, has a reorganization plan and she has outlined four areas in which she would like to increase the capability of the hospital so that it could act as a referral source for the others, and Rosebud is designated as one such place, though the plan is only in discussion stage and has not received any final approval.

It is our understanding also from Eleonor and Dr. Rhodes that the plan could be implemented in stages; that is, one of the areas could be tried out first, the idea being that since Rosebud is to get a hospital shortly, we hope, that that might perhaps be the best area to try it in.

Ms. RICHARDSON. I hope you can resolve the differences on the contract design quickly one way or the other, because until the Department tells us the design will be done so that funds can be obligated in 1984 for construction it is highly unlikely that any funds would be provided. I don't want to get involved with the problems you are having with the Indian Health Service. But the first step is to get that resolved and get the design underway.

Dr. MARQUART. To our understanding there is no problem with the 638 contract other than it being delayed. There have been minor changes since it was first submitted, and that's all.

Ms. RICHARDSON. Are you all in agreement on that? Because that is not what I was hearing.

Dr. MARQUART. We are not clear on why it is being held up at this point.

Ms. RICHARDSON. Thank you.

Mr. WALN. Thank you.

Ms. RICHARDSON. Is Mr. Noley from Penn State University here?

[No response.]

[The statement follows:]

## STATEMENT OF CARL WALN

### REPLACING THE ROSEBUD HOSPITAL

Of the many severe problems facing the Rosebud Sioux Tribe in South Dakota, none is larger than the health of our people. A health care crisis at Rosebud was clearly identified 10 years ago as needing immediate attention. A master plan study for the replacement of the current Indian Health Service Hospital at Rosebud was finished in 1973, but the new facility has still not been built.

The current IHS hospital at Rosebud was half condemned in 1978 for safety reasons and code violations. Closing the portion built in 1915 reduced the number of beds from 48 to 29.

The health status of our tribe remains exceptionally low compared to that of most native Americans served by the IHS. Examples of startling morbidity and mortality statistics from the Rosebud Reservation were presented to this subcommittee in our testimony 1 year ago, and need not be repeated here.

The entire Aberdeen area of the IHS has had no new construction, even for replacement purposes, of any medical facilities in over 20 years. There likewise is no IHS referral hospital with comprehensive services in the entire area, leading to denial or postponement of many types of evaluation and treatment needed.

Congress has appropriated $1,248,000 in fiscal year 1982 funds for the plan and design of the new hospital at Rosebud. Delays in the release, and attempts at reprogramming the appropriation tied up the funds through nearly all of fiscal year 1982. Ultimately, Congress saved the appropriation for its original intended purpose.

A second major area of delay has been in the review of the tribe's Public Law 93-638 contract proposal for the execution of the plan and design. After initial meetings with the Aberdeen area office, the tribe's formal proposal was submitted to the area on April 8, 1982. Although there have been no major problems identified with the proposed contract, the tribe has still not received a "yes" or "no" answer, delaying work on the plan and design. Final acceptance is expected soon, as we have been verbally informed that IHS headquarters has recently signed its approval of the contract proposal.

Still, nearly a full year will have been required to review the 638 proposal, through no fault of Congress or the tribe. President Reagan, in his Indian policy statement of January 1983, has also noted that the intent of the Public Law 93-638 legislation has been stifled by the actions of the Federal Government.

With the hospital construction already 10 years behind schedule, the Rosebud Sioux people can ill afford further delays. Consequently, an appropriation is needed in the fiscal year 1984 budget for construction of the facility, in order to prevent a gap between finishing the plan and design and beginning construction. Such a gap could easily extend to another full year.

Besides improving the health of our people and decreasing the denied and postponed care, constructon of the new hospital will have a significant secondary effort. Unemployment on the Rosebud Reservation is in the 80 percent range. It is easier to count the working than the unemployed. Poverty figures released last fall by the Census Bureau reveal that our reservation is listed among the 10 poorest counties in the whole country, as measured by per capita income. In terms of both construction jobs and hospital jobs, the project will have a stimulating effect on the local economy.

## SIZE AND SERVICES

Another problem with the new hospital has to do with diminishing size and services planned for the Rosebud by the IHS over the last 10 years. Between 1972 and 1982, the IHS has changed their plans for Rosebud in the following way: (1) 66 beds planned have become only 35; (2) a five-bed intensive care unit was progressively whittled down in size, until in December 1981 it was entirely removed from the plan; and (3) surgery had been in every IHS plan for Rosebud for the previous 10 years, unitl it was taken out in December 1981.

Thus, the IHS now maintains that our needs are far less than those identified 10 years ago by them, despite an increased population, and little improvement in, or in some cases, actual worsening of vital health statistics. Input to the IHS from both the tribe and Members of Congress concerning those needs has been dismissed as insignificant. The IHS has refused to change its mind on the size and scope of the new hospital, despite presentation to them of statistical evidence they admittedly had not taken into account.

The tribe, therefore, requests that the language of the fiscal year 1984 appropriation for construction specify that the hospital be built according to a plan and design which includes a surgical suite and 10 additional associated beds.

This instruction should be quite easy for the IHS to follow, as the current approved program information document includes completed plans for the above, but the surgical plans are set aside in an appendix as awaiting approval.

## CONTRACT CARE

Separate from the new hospital concerns, but of grave importance to our people, is the issue of denial of care due to inadequate IHS contract care funds. The Rosebud service unit has received no increase in the amount of these funds in the past 3 years, even for inflation. Increasing shortages have led to increased rationing of care. For 3 years authorization has been allowed for only priority I cases, that is, for life or limb emergencies.

Now even priority I care cannot be authorized because of the size of the deficit in the Rosebud contract care budget. At least one private South Dakota hospital has notified our service unit that it will not accept our patients without a signed authorization in hand, and this cannot now be provided.

An adequate new facility would relieve some of the contract care burden at Rosebud, but there are two additional problems. The IHS appears to be underfunded as a whole with regard to contract care, and their distribution policies have tended to perpetuate geographical inequities in both quality and quantity of services.

The tribe, therefore, requests that the adequacy of the IHS contract care budget be closely scruitinized by Congress, and an appropriate increase made.

As the headquarter's methodology for distribution of the contract care funds is not even available to the area office, we feel that Congress should request this information for its review. The reasons for longstanding inequities in available care should be sought and corrected.

## SUMMARY OF REQUESTS

As president of the Rosebud Sioux Tribe, and on behalf of the tribal council and tribal members, I, therefore, make the following three requests through this subcommittee. (1) we request the appropriation to the IHS of fiscal year 1984 construction funds for the purpose of building the new Rosebud Hospital. Such an appropriation is necessary to avoid further significant delay in completing the project; (2) we request that the language of the fiscal year 1984 construction appropriation specify that the hospital be built according to a plan including a surgical suite and 10 additional associated beds; and (3) we request that an appropriate increase be made to the IHS contract care budget and that the IHS methods of distributing contract care funds between area offices be closely examined by Congress.

We appreciate the opportunity to again address this subcommittee, and also appreciate your past actions toward getting the Rosebud Hospital project completed after years of delay. The Rosebud Sioux people are faced with documented, exceptionally poor health, a half-condemned hospital, and very limited access to care elsewhere. The building of the new facility will be of lasting importance to generations of our people.

## SUBCOMMITTEE RECESS

Ms. RICHARDSON. The subcommittee will stand in recess until Friday, February 25, at 9:30 a.m. at which time we will continue to hear from nondepartmental witnesses.

[Whereupon at 4:30 p.m., Tuesday, February 22, the subcommittee was recessed, to reconvene at 9:30 a.m., Friday, February 25.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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FRIDAY, FEBRUARY 25, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 9:30 a.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Stevens, and Burdick.

## NONDEPARTMENTAL WITNESSES

Senator MCCLURE [presiding]. Good morning. This is the time scheduled to continue receiving testimony from public witnesses regarding budgets of the Bureau of Indian Affairs, the Indian Health Service, and Navajo and Hopi Indian Relocation Commission, and the Indian education activites of the Department of Education.

Each witness has been allocated 5 minutes. It is necessary for you to remain within that limit if we are to hear from all scheduled witnesses.

When your name is called, please come to the witness table. Give three copies of your prepared statement to the staff. As all written statements will be included in the record, you are asked to summarize your testimony in your own words.

The first witness this morning is the Point No Point Treaty Council, Mr. Gary W. Peterson.

### STATEMENT OF GARY W. PETERSON, COMMISSIONER, POINT NO POINT TREATY COUNCIL

### ACCOMPANIED BY LARRY RUTTER, PNPTC BIOLOGIST

Mr. PETERSON. Good morning, Mr. Chairman. We appreciate the opportunity to be here today.

My name is Gary Peterson. I'm from the Snohomish Tribe in the State of Washington. I am with the Point No Point Treaty Council.

With me today is Larry Rutter, the Point No Point Treaty Council biologist. We are here to testify today on the Bureau of Indian Affairs budget regarding the hatchery maintenance money for the hatchery in the Point No Point Treaty area.

The Point No Point Treaty Council is an intertribal fisheries management organization that involves four tribes on the northwest coast of Washington. Three of the four tribes in our treaty area operate the hatchery. The problem that we're testifying about today regards the funding level for those hatcheries.

In fiscal year 1978, the treaty council appropriated $198,000 for operating the hatcheries. Since 1978, the funding level has remained the same. The Bureau of Indian Affairs' figures indicate that that funding level will stay at $190,000 through fiscal year 1985. So each year we find ourselves falling a little farther behind.

The Point No Point Treaty Council is operated intertribally so we feel that we are already functioning as efficiently as we can. We do central purchasing, central payroll; all of our administration is centrally located, so any cuts or lack of increases are especially felt.

In the State of Washington there have also been some severe cutbacks on the part of the State of Washington, and also on the part of the Federal Government in the State relative to hatchery operations and hatchery production. So with the cutbacks we are fearful for the resource in the State of Washington.

Senator McCLURE. Thank you very much for your testimony.

We had difficulty in the transfer of hatcheries this year, and we had similar proposals last year and similar difficulties. We'll take a close look at them. Thank you very much.

[The statement follows:]

### STATEMENT OF GARY W. PETERSON

Mr. Chairman, members of the committee, thank you for the opportunity to testify today. I am speaking on behalf of the Point No Point Treaty Council and its four member tribes, located in Puget Sound in Washington State. Larry Rutter, PNPTC biologist, is with me to help answer any questions you may have regarding our testimony.

We are here today to testify on the Department of Interior, Bureau of Indian Affairs budget: Specifically, part D, element 5790 fisheries, wildlife, and parks; program title: Washington fishing rights. Location: Bureau of Indian Affairs Portland area office. For fiscal year 1984 we are programed at $190,000 for hatchery operation and maintenance and are requesting an increase of $215,200, for a new total of $405,200.

Mr. Chairman, we are here today specifically to address the problem of fisheries enhancement. As you know, *United States* v. *Washington* has had an extensive, complex history; one of great importance to all the people of the Northwest. Regardless of the controversy and management disagreements in the State, after the rhetoric subsides, there always remains one very significant point of agreement: The continued viability of the Northwest fishing industry depends largely upon successful, well-planned fish enhancement programs. Without that, our Northwest salmon fishing industries will collapse in the face of ever increasing foreign competition. As in the auto industry, fishing industry jobs are being exported to countries like Japan and Norway, where investment in fish enhancement has led to increased competition for the world market.

Our treaty council operates three hatcheries in our area. These hatcheries represent a significant capital expenditure, and we think they make a significant contribution to the fishing industry. Unfortunately, last year due to funding shortages hatchery staffs were temporarily laid off and hatchery programs cut back or eliminated; the effectiveness of our hatcheries has been severely limited. We were also unable to plan an enhancement program at the newest treaty council member tribe, the Jamestown Klallam.

We find ourselves in this position because of a unique situation that has existed the last 6 years despite our best efforts to resolve it through the Bureau of Indian Affairs and Congress. Since fiscal year 1978 our budget has remained at the exact same amount. Preliminary figures from BIA indicate that we will remain at this level through fiscal year 1985. As far as we know, ours is the only program in the case area that has never been increased. Inflation and increased responsibilities placed upon us by area enhancement plans and State cutbacks have severely impacted our enhancement budget.

The fishery resource in the State of Washington is in trouble for a variety of reasons. The condition of the resource is compounded by State and Federal fisheries program budget cuts; cumulative effects could be disasterous for the industry and resource. We feel our problem is one of oversight: an oversight so simple that we always felt, and were told, that it would be resolved in the next budget cycle, but that has never happened, and won't happen until after fiscal year 1985, if at all. We urge this committee to act to prevent our program from continued deterioration; programs of this type cannot go for as long as 8 years without adequate funding and remain viable.

## STATEMENT OF FRANCISCA HERNANDEZ ON BEHALF OF THE ALBUQUERQUE AREA INDIAN HEALTH BOARD TRIBES

Senator McClure. We will next hear from the Albuquerque Area Indian Health Board Tribes, Francisca Hernandez.

Ms. Hernandez. Good morning. My statements will not concentrate on needs. We have three major requests we want to present to you today.

One of them deals with our recommendation that a percentage of the total health and human services budgets be granted as an entitlement rather than as a discretionary allocation. This is not a separate allocation but an entitlement within an already discretionary allocation.

The objective is to insure a just share to Indian people as well as other people in the Nation that is more predictable than what we have right now, and to avoid especially—and I want to emphasize that—to avoid putting Indian people in the welfare category.

The second request we have is that a community health model be implemented rather than a medical model in Indian Health Service. This is a preventive approach to medicine based on wellness rather than sickness. It is tied to socio-economic development and the objective essentially is to create a cost-effective health model to maximize available both human and economic resources.

We also emphasize that it should be based on epidemiological data rather than administrative data as it is right now. Administrative data is good for justifying a budget but this results in a hit-and-miss approach rather than the epidemiological one which is based on needs assessment, community profiles, and projection of future needs.

This facilitates a more relevant resource allocation because it deals with incidence rate and prevalence rates of different conditions that can be addressed in a much more effective planning system.

The third thing is the clarification of the mission and goals of the Indian Health Service. Today these are not clear to either the tribes or the agency itself in any form legally either.

There are several proposals and approaches that are being considered which represent an erosion of the services and a waste of the limited resources, both human and economic.

### PREPARED STATEMENT

Those are the basic things, and the statement has those things outlined very carefully.

Thank you.

Senator McCLURE. I appreciate the suggestion. We recognize the problem and the need. Thank you very much.

[The statement follows:]

### STATEMENT OF FRANCISCA HERNANDEZ

My name is Francisca Hernandez. I represent the Albuquerque Area Indian Health Board, and am here to testify on behalf of the health needs of the communities represented therein: Jicarilla and Mescalero Apaches; Alamo, Canoncito, and Ramah Navajos; Southern Ute and Ute Mountain Utes; and off-reservation populations within the Denver and Albuquerque metropolitan area.

While our cultures, histories, and languages are more diverse than most regional, or even national organizations, our health and human service needs bind us together in a commonness of vision and purpose: a life free of poverty, social and physical disease, and the related suffering and despair.

Unlike most of the testimony that you will hear today, my presentation will not focus on the need which exists in our communities. That need is real, deep, and unchanging, except perhaps in focus, but it is something that you must live to understand. Words cannot make you see it or know it.

There is, however, another reason why need is not my focal point. This reason is based upon the historical, political, and trust and treaty relationships, which have been established over many years between the Federal Government and Indian tribes and people. The prescribed benefits of these relationships are payment, in trade, for Indian lands and were never intended to imply a welfare status for Indian populations. Any future that is healthy for our people will be one which preserves that historical and political status, rather than plunging us into a welfare condition, which will erode our self-respect and dignity.

Instead of the issue of need, let me concentrate on the appropriations level and process, and on the means of distribution, and how each impacts on our total well-being.

It is our recommendation that a percentage of the total Health and Human Services budget be granted to meet the needs of Indian people as an entitlement, rather than a discretionary allocation.

Although, such a proposal may seem outlandish at first thought, it has major benefits to both the Federal Government and Indian tribes. First, it solidifies the unique relationship that we share and replaces the current fear of further dismantlement of our rights with a security that will give us strength. Second, it will allow us to plan and manage available resources in a way which will be more cost and needs effective. Third, it will remove us from the political arena, where so much of our time must currently be spent lobbying and educating Congress, and fighting among each other, to secure our tribal futures, one year at a time. Fourth, since under this proposal, the amount allocated would be a fixed percentage tied to the total budget, the Congress would be freed from the constant expectations and demands for larger and larger appropriations. Finally, it will remove us from being associated with a welfare mentality, that provides no incentive for us to contribute to our own social and economic health, and in fact, penalizes us by withdrawing funds if we make any gains at all.[1]

To further maximize the resources available, we must redesign the current distribution and management system used by Indian Health Service.

First, we propose that a community health model replace the medical model which is now used to both prioritize services and distribute resources. The strictly medical model is functional in an urban setting where a variety of other health, social, educational, and welfare services are available. In poor, rural areas where these services are scant, at best, and where the health and well-being of people is tied directly to their socio-economic status, which is based on subsistence income, a community health model offers people an opportunity to use their perspectives and values in considering their needs and interests, and the rationale that is going to be used in addressing them.

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[1] Entitlement in this case does not represent a trap for either group. Rather, it means to psychologically, economically, and socially offer people the opportunity to stabilize and plan carefully for their futures. It is not to the advantage of the United States to continue to increase its welfare rolls. It is neither cost effective nor humanly desirable. The approach must be more productive for their own personal lives and for the social responsibility we all hold.

Furthermore, in a time of shrinking resources, a system that places increased emphasis on prevention programs and services, and on wellness, rather than illness, is vital. Without such increased emphasis, the available resources will quickly be expended in expensive clinical services that might have been avoided through less costly means and the health status of the people concerned remains unchanged.

Second, we propose that the current administrative data system which is used in the distribution of resources be replaced by one which utilizes epidemiological data and community profiles. Administrative data serves well to justfy how resources are expended, but it has no value in discerning the real needs of any given community or addressing them by targeting available resources in appropriate services. On the other hand, epidemiological data provides, not only for accurate needs assessment and resource allocations in the present, but provides important trends informations which facilitates the accurate projection of future needs. Thus, by knowing the prevalence and incidence of health conditions, we can focus our prevention efforts more accurately, plan to meet real clinical needs, prioritize programs and services, and be assured that the resource allocation will realize the expected outcomes. Through this proposal, we request a clearly focused, rather than a hit-and-miss, approach to meeting needs.

Third, we propose a clarification of the mission and goals of Indian Health Service and a renewed commitment to its role as a primary health care provider to Indian people. This clarification, together with the knowledge that epidemiology provides, should serve as the basis for the evaluation of current policies, procedures, staffs, practices, and structure.

Because of the present administration's approach to the needs and services of the people in our country and the shrinking availability of resources, there is great pressure on Indian Health Service to justify its existence. Yet since the mission and goals of the agency, as a health provider, are not clear to either the staff or the tribes themselves, a series of proposals and approaches are being considered as new ways of dealing with Indian health needs that in essence represent a slow and steady erosion of the services. Among these are: the question of eligibility based upon blood quantum and tribal enrollment; a resource requirement methodology which is another expression of the administrative data system we object to; the use of medicare and medicaid in contract and clinical health care which can drive us into the welfare status which we spoke of earlier; and a service priorities system which is a strictly medical model. All of these come out as a result of the climate of confusion in which Indian Health Service is operating. These approaches are "piecemeal" and mechanistic, and do not represent any defined reality.

Decisions giving rise to these proposals have been made based upon unclear information and reasoning, therefore, without any understanding of the meaning of the outcomes or the consequences to Indian people. Thus, instead of addressing a situation of agency management, all of the current proposals are attempting to reduce the size of the problem by reducing the size of the population served. The consequences are grave when alternative management and distribution methods emerge as reactive solutions to crisis, are not based on a clearly defined reality, and have no strategies to achieve predictable and measurable outcomes. We cannot allow such folly to continue to control our lives.

Therefore, we respectfully request that the Honorable Members of this committee: approve the fiscal year 1984 Indian Health Service budget as proposed, consider carefully the possibility that the future funding of the Indian Health Service be on an entitlement basis as herein proposed, and take steps to insure that the allocation, next year, is distributed among Indian people based upon the methodology we have suggested, and on clarified mission and goals for Indian Health Service.

## STATEMENT OF RUSSELL HAWKINS, TRIBAL CHAIRMAN OF THE SISSETON-WAHPETON SIOUX TRIBE, OF NORTHEASTERN, SOUTH DAKOTA, SISSETON, S. DAK.

### ACCOMPANIED BY GERRY FLUTE

Senator McClure. We will next hear from the Sisseton-Wahpeton Sioux Tribe, Mr. Russell Hawkins.

Mr. Hawkins. Good morning. My name is Russell Hawkins, chairman of the Sisseton-Wahpeton Sioux Tribe.

To my right is former chairman and present councilman, Gerry Flute.

I want to thank you for this opportunity of coming before the Senate. I trust that our testimony will be read, so I won't make reference to the terms of the dollars, the breakdowns, et cetera, to avoid redundancy.

Basically what I'm asking is for increased allocations in three areas to the Sisseton-Wahpeton Sioux Tribe: education programs, Indian health, and education.

Under education we have under Public Law 95–471, the Tribally Controlled Community College Act. I would urge serious consideration of appropriations in this area. The thinking behind that is on our reservation with our unemployment, we find this an ideal time for our Indian people to become educated, to pursue education as long as there are no viable jobs waiting for them. It is necessary that we have money to operate on. So in terms of the community college, we're requesting an allocation as well as a BIA higher education grant.

Presently the students are getting $2,800 per semester or $2,800 per academic year when a $4,000 academic year would finance them completely, reducing hardship.

Also under BIA education we encourage a serious look at the Johnson-O'Malley program. It's a program that operates K through 12th, and helps our children in terms of tutors and preschool education.

Also under education is our adult education program. Many of our tribal members do not have their GED's and might, with their GED's, be more likely to gain employment. We again request consideration and add-on appropriations in pursuit of our tribal members receiving their GED's.

As far as Indian health, moving to that, the basic philosophy we have on Indian health is to have a preventive philosophy rather than dealing with the problem, and we would stress the community health program, health education, and improved in-patient care for the individuals who do need medical attention.

So on health care, again we would like to see the funding based on prevention and education rather than actually dealing with the problem.

Last, under our Bureau of Indian Affairs programs, we have approximately 260 miles of roads on our reservation. This creates a hardship in the sense that the roads are atrocious. This means a high line item on our maintenance for police vehicles, for bus vehicles, and for our tribal members, in addition to accidents and in addition to wear and tear on vehicles.

With unemployment and the reduced budgets that we have throughout our State and tribal government, we feel that roads could employ people as well as reduce other vehicle maintenance on them.

That concludes my statement. Thank you for your time.

Senator McClure. I can give you good news, at least with respect to one, and that's on roads. That will, as a result of the act passed in December, have an increase. There was some earmarking in that bill which was passed in December which will add $75 million to the total BIA road fund, so it will go up from $47 to $122 million, and that ought to be substantial help.

One question: I assume that the answer is obvious, but maybe it isn't.

In your first table you have the President's fiscal year 1984 proposal in one column and on the next column it has fiscal year 1983 actual. It looks to me like those two columns are reversed. Would I be correct in that?

Mr. Flute. Mr. Chairman, I think the two figures there are based on information that we received from the Bureau as to what the 1983 appropriations were.

Senator McClure. I understand that in each instance you show the fiscal 1983 actual in the second column as being smaller than the fiscal year 1984 proposal in the first column. That's not the thrust of your testimony. And I haven't looked at the breakdown as far as your own agency is concerned.

Would you look at that and see if that may be the case? Really, the first column represents fiscal year 1983 actual, and the second column the President's proposal? If you would check that and let me know?

Mr. Hawkins. Yes, sir, we will.

Senator McClure. Thank you very much. We will insert your statement at this point.

[The statement follows:]

## Statement of Russell Hawkins

I am pleased to present testimony on behalf of the tribal government of the Sisseton-Wahpeton Sioux Tribe of Sisseton, S. Dak., in regard to those portions of the fiscal year 1984 budget that affect members of our tribe.

The Sisseton-Wahpeton Sioux Tribe takes very seriously the appropriation of funds for the Bureau of Indian Affairs, Indian Health Service, and other agencies that provide beneficial programs for the health, educational, and socio-economic development of our tribe and its members. In fiscal year 1970, in advance of the Public Law 93-638, Indian Self-Determination Act, our tribe utilizing provisions of the "Buy-Indian Act" contracted to administer Bureau of Indian Affairs, Indian Health Service, HEW/HHS, Department of Labor, and State programs; and, hence, we have had over 12 years experience in the development and establishment of tribal governmental capacities in administering Federal and other programs for which the Congress has appropriated funds. Accordingly, our comments shall be directed toward those Federal agency programs which provide direct benefits to our tribal members either in the form of our tribe's contracting for these programs or direct participation of tribal members in these programs.

## BUREAU OF INDIAN AFFAIRS

*Economic development and employment.*—For 2 years, our tribe has been subjected to reams of data from the Bureau of Indian Affairs regarding its economic development initiative program. At the Sisseton agency's Bureau of Indian Affairs office on our reservation, not one penny nor any initiative has been evident in areas of economic development, except those efforts of our tribal government and its members who utilize services of the local private sector, which is hampered owing to an unfortunate economic condition. Accordingly, we urge that the Congress not only appropriate funds for economic development and employment training, but also direct that the Bureau of Indian Affairs allocate such appropriated funds to the agency offices on the reservation where either the tribal government's economic development organizations or its members can apply for these funds. We further urge emphasis on increasing technical assistance in the Bureau of Indian Affairs from the private sector so that Indian business skills can be increased. We also urge increased appropriations for the credit and financing programs of the Bureau of Indian Affairs, at the reservation-agency level. Last, we urge increased appropriations for the Bureau of Indian Affairs-road maintenance program, which would not only improve roads but also provide us with employment.

*Trust responsibilities and natural resources development.*—Our concerns for the Bureau of Indian Affairs' role in trust responsibilities and natural resource development stems from the fact that in 1970, our tribally-owned land base had diminshed to 850 acres and Indian owned allotments on our reservation had an average of over 35 heirs per tract of land. To remedy this situation, our tribe borrowed $4,250,000 from the Farmers Home Administration and we have purchased 22,000 acres of heirship land for agricultural and community development purposes. Bureau of Indian Affairs' initiatives in this effort during the last 12 years has been negligent. Hence, we urge the Congress to appropriate funds at an increased level for Bureau of Indian Affairs—real estate services at the agency level, and direct that sufficient portions of these funds be made available to the tribe to administer its own land programs, whether in leasing or other types of management. Second, we urge appropriations for natural resource development such as land improvement projects for the improvement and preservation of Indian agricultural lands which also would serve to provide employment opportunity to Indian contractors and Indian people.

*Education.*—For Bureau of Indian Affairs—education programs, our concerns begin with funds provided by Public Law 95–471, the Tribally Controlled Community College Assistance Act. The Bureau of Indian Affairs has never requested full amount of funds authorized by this act. For our tribe, the current funding amounts to $2,812 per full-time equivalent student. We urge appropriation closer to the authorized level of $4,000. Second, we concur with the increase for Bureau of Indian Affairs higher education grants. Third, we urge increases for reservation-based Johnson-O'Malley programs inasmuch as Indian students directly benefit from this program. Fourth, Bureau of Indian Affairs—adult education programs ought be accorded an increase rather than a reduction at a time when Indian unemployed people require minimally a GED for employment opportunity. Fifth, we strongly oppose the proposed close-out of the Department of Education's title IV programs; direct benefits to disadvantaged Indian students shall be terminated by the proposed close-out. Last, for vocational education appropriations we urge that the Congress either direct the States to include set-asides for tribally controlled community vocational education schools or provide funds directly to such schools from the Department of Education.

*Indian services.*—On our reservation, our tribe administers the majority of programs in the Bureau of Indian Affairs' Indian services component. These include: (1) self-determination services; (2) housing; (3) law enforcement; (4) Indian Child Welfare Act programs along with a title XX contract with the State of South Dakota; (5) tribal courts; (6) aid to tribal government; and (7) agricultural extension services. The Federal administration while promising continuation of the "safety-net" for the poor consistently has reduced requests for appropriations in Bureau of Indian Affairs' Indian services by 25 to 35 percent. In a time of high unemployment, 84 percent for our tribe, increased demand for social services, child protection, law enforcement, and tribal court services has more than tripled; hence, we urge an increase of 20 percent for the Indian service programs until such time as a national economic recovery shall have occurred.

*Bureau of Indian Affairs—Management and administration.*—Our tribe has made effective use of our Bureau of Indian Affairs—local agency's program development and budget services. We urge an increase of funds for this activity so as to continue development of our capabilities.

*Indirect costs.*—Our tribe has had near traumatic experiences with the U.S. Department of Interior—Office of Inspector General's rules for collection of indirect costs for administration of the tribe's Federal contracts and grants. First, not all Federal agencies agree to authorize payment of the tribe's rate, resulting in under-recovery for which the tribe is penalized in the following year; second, in instances of a continuing resolution, the Federal agencies allow only 75 percent of the indirect cost rate. These practices have served to nearly bankrupt our tribal government which is low on cash reserves. We urge congressionally approved study and resolution of these problems.

## INDIAN HEALTH SERVICE

*Contract health service program.*—We strongly urge an increase of appropriations for Indian Health Service's contract health service funds so as to enable the Federal health-care provider to have adequate funds for good and preventive medical care rather than emergency and life-threatening situations exclusively.

*In-patient care facilities.*—The Congress herein is requested urgently to direct that alternative plans be developed for improving in-patient care facilities. Further, we urge approval for the Indian Health Service to collect third-party payments from private health insurance carriers and that the collector be authorized to keep these revenues for improvement of its in-patient care facility.

*Continuation of CHR program.*—The community health representative program needs to be continued and appropriations are needed for this accessibility to health care programs.

*Indian alocholism programs.*—The rate of Indian alcoholism is at an all time high on our reservation. Instances of violence and fatalities invariably involve the abusive use of alcohol. Our tribe's approach has been one of treating the alcoholic and his family once the family or tribe has intervened. While primary alcoholism treatment costs range from $65 to $125 per day, our costs based upon available Indian Health Service funds amount to $15 to $35 per day. Accordingly, we urge an increased appropriation for Indian Health Service alcoholism programs so that our effectiveness can incresae, and thereby prevent accidents, violence, and civil disorder caused by untreated alcoholics.

*Maternal and child health programs.*—Increased appropriations are herein urged for the tribe's maternal and child health programs, so as to assure continued care for Indian mothers and their children.

*Indirect costs.*—The Indian Health Service does not have an indirect cost appropriation to add to the tribe's contracts for the indirect cost assessment. Funds must be taken from direct costs to pay for indirect costs. We urge that this problem be resolved by appropriating funds for Indian Health Service's contract support pool.

*Indian Health Service health education.*—We urge continued support by appropriation of the health education program, which serve to prevent accidents among Indian people.

## OLDER AMERICANS ACT

Our tribe administers an aggressive program of nutrition for Indian senior citizens, made possible by a contract with the State of South Dakota through provisions of title III of the Older Americans Act. We strongly urge that the Appropriations Committee increase appropriations for title III of this act, so that together with our State we can continue to feed and provide adequate diet and nutrition to Indian elderly who are the neediest of the needy.

*Accessibility for the handicapped.*—Section 504 of the Rehabilitation Act of 1973 requires accessibility to all public facilities for those who are physically handicapped. Our tribe has developed and established a comprehensive plan on accessibility for all public buildings within our jurisdiction. Approximately $90,000 is required to implement this plan. We urge an appropriation for our tribe so that we can implement this plan.

*CETA.*—With regard to the CETA program, we strongly recommend that the Appropriations Committee consider the merits of special appropriations for the Indian CETA program, owing to the extremely high unemployment rate of Indian people, together with lack of job skills.

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Block grants.*—We concur with thrust to implement direct Federal/tribal funding of block grants from HHS. To achieve this objective, we urge sufficient appropriations to effectuate this approach.

*Administration of Native Americans program.*—With regard to this program, we urge that Congress direct ANA to adopt a block grant approach for federally recognized tribes and that the appropriation to implement this approach be separate from those funds scheduled for urban Indian programs.

In conclusion, we appreciate this opportunity to present the views of the Sisseton-Wahpeton Sioux Tribe in regard to the fiscal year 1984 appropriations.

### SISSETON AGENCY—BIA—BUDGET A09–01

| | Rank | President's fiscal year 1984 proposal | Fiscal year 1983 actual | Difference | Fiscal year 1984 add-on request |
|---|---|---|---|---|---|
| Education: | | | | | |
| 11—Scholarships | 0 | 166.1 | 160.0 | −6.1 | +70.0 |
| 12—Adult education | 0 | 33.8 | 24.1 | −9.7 | +18.0 |
| 13—Tribal Community College | 0 | 0.0 | 0.0 | 0.0 | +0.0 |
| 19—Total, education | 0 | 199.9 | 184.1 | −15.8 | +88.0 |
| Indian services: | | | | | |
| 20—Community Ser-Gen | 0 | 0.0 | 0.0 | .................. | .................. |
| 21—Agric. extension | 0 | 35.2 | 26.4 | −8.8 | +5.0 |
| 22—Tribal governments | 0 | 38.5 | 27.7 | −10.8 | +35.0 |
| 23—Tribal courts | 0 | 124.8 | 83.8 | −41.0 | +50.0 |
| 24—Social services | 3 | 110.7 | 97.6 | −13.1 | +95.0 |
| 25—Law enforcement | 0 | 194.7 | 123.4 | −71.3 | +45.0 |
| 26—Housing | 0 | 142.3 | 106.7 | −35.6 | +25.0 |
| 27—Self-determination | 0 | 128.9 | 129.0 | −1.9 | +42.0 |
| 28—Comm. fire protect | 0 | 0.0 | 0.0 | .................. | .................. |
| 29—Total, Indian services | 3 | 775.1 | 594.6 | −180.5 | +297.0 |
| Economic development and employment: | | | | | |
| Bus. enterprise dev | .................. | 0.0 | 0.0 | 0.0 | +125.0 |
| 32—Credit and financing | 0 | 28.0 | 18.8 | −9.2 | +19.3 |
| 33—Adult voc. training | 0 | 148.4 | 111.3 | −37.1 | 0.0 |
| 34—Employment assist | 1 | 77.9 | 66.7 | −11.2 | 0.0 |
| 35—Road maintenance | 0 | 167.7 | 123.9 | −43.8 | +85.0 |
| 39—Total, economic and employment | 1 | 442.0 | 320.7 | −101.3 | +229.3 |
| Natural resource development: | | | | | |
| 40—Natural res.-gen | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 41—Agriculture | 0 | 132.6 | 78.3 | −54.3 | +190.0 |
| 42—Forestry | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 43—Minerals and mining | 0 | 0.0 | 0.0 | 0.0 | 0.0 |

## SISSETON AGENCY—BIA—BUDGET A09-01—Continued

| | Rank | President's fiscal year 1984 proposal | Fiscal year 1983 actual | Difference | Fiscal year 1984 add-on request |
|---|---|---|---|---|---|
| Natural resource development—Continued | | | | | |
| 44—Water resources | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 45—Wildlife and parks | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 49—Total, natural res | 0 | 132.6 | 78.3 | -54.3 | +190.0 |
| Trust responsibilities: | | | | | |
| 50—Trust services-gen | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 51—Environmental serv | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 52—Rights protection | 0 | 15.6 | 5.8 | -9.8 | +40.7 |
| 53—Real estate apprai | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 54—Real estate serv | 3 | 95.2 | 85.8 | -9.4 | +65.0 |
| 55—Fin. trust (IIM) | 0 | 12.8 | 12.0 | -0.8 | +78.0 |
| 59—Total, trust | 3 | 123.6 | 103.6 | -20.0 | +183.7 |
| Management and administration: | | | | | |
| 60—Safety management | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 61—Program dev and budget | 0 | 45.3 | 30.6 | -14.6 | +46.0 |
| 62—Executive direct | 2 | 60.3 | 43.4 | -16.9 | 0.0 |
| 63—Admin. services | 2 | 72.7 | 53.3 | -9.4 | 0.0 |
| 00—Facil mgmt-area off | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 64—New direct rental | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 65—New GSA rental | 0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 69—Total, man. and admin | 4 | 178.3 | 127.3 | -51.0 | +46.0 |
| 79—Grand total | | 1,831.5 | 1,408.60 | -422.9 | +1,034.0 |

### *Indian Health Service for Sisseton-Wahpeton Sioux Tribe*

[Appropriation add-on requests]

| | |
|---|---|
| Contract health service program, Sisseton Indian Health Service, service unit | $127,000 |
| Community health representative program, Sisseton-Wahpeton Sioux Tribe, appropriation request | 185,000 |
| Alcohol Control Center, Sisseton-Wahpeton Sioux Tribe, add-on appropriation request | 209,000 |
| Maternal child health program, Sisseton-Wahpeton Sioux Tribe, add-on appropriation request | 35,000 |
| Community health education, Sisseton-Wahpeton Sioux Tribe, add-on appropriation request | 11,000 |
| Tribal health management—Tribal Human Services Administration appropriation request | 60,000 |
| Total | 627,000 |

*Appropriation request for title III—Older Americans Act*

| | |
|---|---|
| Appropriation request for accessibility to public facilities pursuant to section 504 of the Rehabilitation Act of 1973 | $56,000 |
| Appropriation request for repair of streets in seven Indian communities (cluster-sites) of the Sisseton-Wahpeton Sioux Tribe | 90,000 |
| Total | 3,500,000 |

## STATEMENT OF JOSEPH DE LA CRUZ ON BEHALF OF THE QUINAULT INDIAN NATION

Senator McClure. We will next hear from the Quinault Indian Nation, Joseph DeLa Cruz.

Mr. DeLa Cruz. Good morning, Mr. Chairman. I am Joe DeLa Cruz, president of the Quinault Indian Nation.

Annually for over a decade I have been appearing before these committees explaining some of the complex problems caused by the lack of dollars to manage tribal forests and tribal fisheries programs.

This year we had a White House policy statement that supports government-to-government relationships between the tribes and the Indian nations to develop healthy reservation economies. Unfortunately, when you look at the OMB budget cuts across the board in education, health and human services it once again makes the tribes bear a disproportionate burden.

There are a few things I'd like to highlight that this committee consider. These are some of the problems we're faced with out on the Indian reservations:

To maintain our attempt to return some of the natural resource management appropriations to the 1982 levels;

To support the effort by the tribes to strengthen tribal governments and improve reservation economies;

Under some of the labor-intensive legislation before Congress, to consider the tribes for labor-intensive employment for natural resource management under some of the new jobs bill.

I will point out some of the examples of the problems we faced in forestry management.

On the Quinault Reservation and 129 other Indian reservations across the country as far as the BIA appropriations and their management, the BIA spends $1.67 an acre compared to the Forest Service's $2.74 an acre. The Bureau of Land Management spends $7.39 an acre, and the Industrial Forestry Association spends $5.47 an acre.

We came before this committee several years ago and secured an $800,000 appropriation to begin developing our own technical and management programs. In 1977, those were cut to $475,000, and in 1982, to $375,000, and in 1983, $350,000. With the gains that we've made in the last decade, with these type of cuts we can't seem to bear some of the future things we see happening with forestry management on the Quinault Reservation.

You mentioned the jobs bill—I mean the Highway Act bill, the roads situation.

We have over 1,200 miles of deteriorating access roads for forestry management because of lack of funds in Bureau appropriations.

Senator McCLURE. Could I interrupt at that point?

You mentioned that these are tribal roads.

Mr. DELA CRUZ. Yes; they are.

Senator McCLURE. They are not owned by the tribes but by individual allottees?

Mr. DELA CRUZ. Yes.

Senator McCLURE. They are not in a sense owned by the tribe as an entity?

Mr. DELA CRUZ. No, sir. And the Bureau is using appropriate documents to get access, and we've got a complex mess here.

Tribal fisheries management, because of the Federal courts and the way the law of the land is, the tribes bear many additional management responsibilities. Our tribal fisheries staffs have to work under inter-jurisdictional forums such as the Pacific Fisheries Management Council and the United States-Canada salmon interception treaty negotiations. And we are going to soon have to address the issue of some of the weaker salmon stocks along the whole Pacific coast.

The BIA is submitting money to develop technical assistance units for the tribes, and we request that the committee see that there is not another bureaucracy created in the fisheries management. We feel the tribes have the capabilities to maintain it if they have the funds.

In closing I would like to focus on a couple of things. The limited resources on supporting tribal governments and local BIA and IHS agencies and service units need to be sustained, and not extend the bureaucracy at the middle-management and central-office level.

Tribal government existence and development should be the priority concern for this commiteee. The resources are needed at the local level. And I think on some of these appropriations that we've had in the past that we need the Bureau to report back on how these appropriations are being channeled down to the tribe, because every year they try to roll us for what you put in the budget.

Thank you.

Senator McCLURE. Thank you very much. I just might make a generalized suggestion. You focused on the jobs bill; I think that's an appropriate place to look, but not only for yourself but all other Indian groups. I think you can help yourself a great deal if you were to identify in very specific terms those projects or those activities which could lead to new jobs which could be in place during the spring and summer and submit that through the BIA so that we can indeed see whether or not there are jobs that could be created immediately.

Mr. DELA CRUZ. Mr. Chairman, I would also request then that it be in the jobs language that the tribes be able to provide the tribal priorities where those jobs are needed because that's one of the things that happens.

Senator McCLURE. That's one of the reasons I suggest that perhaps the tribes develop a program to submit to BIA. You'll come closer to getting it done that way than if you wait for the Congress to develop it, transmit it to the Department of the Interior, have them transmit it to the BIA and have the BIA decide where the money should go.

I think if you'll start that process with some very specific suggestions of dollars and jobs and activities that can take place immediately, you'll come closer to getting some actual help.

Mr. DeLa Cruz. We'll attempt to do that, Mr. Chairman. Thank you.

Senator McClure. Thank you very much. Your statement will be printed in the record at this point.

[The statement follows:]

### Statement of Joseph B. DeLa Cruz

The Quinault Indian Nation, geographically located on the Washington State's Olympic Peninsula bordering the Pacific Ocean, relies primarily on the management, harvesting, and limited processing of its renewable forestry and fisheries resources in building a self-sustaining economic base for the tribal future. Annually, for over a decade, I have appeared before this Appropriations Committee to explain the need to support tribally controlled resource management and the logical long-term economic benefits generated by the appropriations to the tribe, the Pacific Northwest, and the Nation by developing self-sustaining yields in forestry and fisheries.

The current administration recently released a basically positive White House Indian policy statement advocating a Government-to-Government relationship by "removing obstacles to self-government and by creating a more favorable environment for development of healthy reservation economies." Unfortunately, the proposed budget reductions across the spectrum of effective development programs from education, health, and social services to economic stimulators reveals a much different policy reality to be disproportionately borne by tribal governments. I appeal to this committee's sense of fairness and logic to restore programmatic funding to, at least, fiscal year 1982 levels and promote initiatives designed to strengthen tribal economic development. Hopefully, the planned administration jobs bill will include provisions for labor intensive employment prioritized by tribal governments to improve the management and harvesting of natural resources and concurrently reduce the unacceptably high level of reservation unemployment.

Since the early 1970's, the Quinault Tribe has aggressively pursued a tribal resource management process in the forestry and fisheries fields by employing technicians under tribal supervision, assuming managment control from the BIA through Public Law 93-648 contracts; providing employment and technical training to tribal members and encouraging college bound tribal members to pursue technically relevant education to build a tribal operational base; and, implementing environmentally and economically sound management and harvesting practices. I would be pleased to supply this committee with documentation on the forestry/fisheries appropriations from fiscal year 1974-82 and the corresponding tribal accomplishments.

In the field of forestry, it should be understood for comparative purposes that for the important forest development program in 1981 the BIA spent $1.67 per acre, the U.S. Forest Service $2.34 per acre, the Bureau of Land Management $7.39 per acre, and the Industrial Forest Association $5.47 per acre. Under normal forest management practices, Indian tribes are far behind other professional Federal and private management entities in allocation of dollars per acre. Management of the 199,000 Quinault Reservation forest is extremely complex due to fractionated land ownership, existing private logging contracts managed by the BIA has left second growth inhibiting residue up to 30 feet deep in places, and 1,200 miles of forest access roads. After logging contracts expire, these roads revert to allottee ownership exacerbating access, maintenance, and repair. It is estimated that $10 million over a 5-year period would be required to purchase access and upgrade these road systems. As these are private tribal roads, current road repair moneys from emerging public funds cannot be applied to this growing problem.

Although Congress recognized the unique forest management problems confronting the Quinault Tribe with a special forest development "add-on" appropriation amounting to $800,000 in 1977, this funding was reduced to $475,000 in fiscal year 1982. The BIA central office has reduced this appropriation to $375,000 for fiscal year 1983 and has informed us in writing of a planned reduction to $350,000 in fiscal year 1984. This committee proposed reductions in the BIA central/area office timber sales administration add-ons in the fiscal year 1983 appropriations. Unfortunately, the tribes and local agency offices are once again bearing the brunt of program reductions from forest development add-ons. I strongly urge this committee to restore the funding levels of appropriations received by the tribes and their respective agencies in forestry and impose a requirement on the BIA to provide a written report on compliance to this funding allocation. This reporting requirement should force the BIA to accurately display allocation of the limited forestry appropriations. In keeping with the request to restore the $800,000 tribal forestry moneys, we seek full funding for fire suppression funds necessary to protect our forests from devastation to the fiscal year 1983 level of $800,000 and raise the level of forestry management funds by $2 million to allow flexibility in accommodating projected increases in timber sales.

In a related matter, the BIA currently collects a 10-percent administrative fee from timber companies for management purposes. Although the severe recession has reduced these collections to one-tenth the pre-1980 levels, these funds provide an important contractable administrative resource for the timber tribes. In fiscal year 1982 the Interior Department Solicitor erroneously ruled that these administrative fees should be returned to the Treasury and should not be allowed to be spent at the discretion of the Interior Secretary. Fortunately, a counter decision on the issue by the U.S. Comptroller General and persuasive legal analysis convinced the Interior Secretary to allow the timber administrative fee process to continue unchanged. Since the issue has not reached a final resolution, we request that instructive committee language similar to the fiscal year 1983 appropriations be added to protect tribal interests.

The Quinault fisheries program serves as a model of resource management given the limited support and complex legal, enviromental, biological, and commercial pressures. Under the *United States* v. *Washington* decision of 1974 affirming the treaty-protected right to an equitable share of the fisheries resource in their "usual and accustomed" fishing areas, the tribe has expanded its fishing operation to off-reservation sites, strictly enforced tribal fishing codes to protect the resource, opened a second fish hatchery on tribally-controlled Lake Quinault, and worked collaboratively with Pacific Northwest tribes and State officials to impose sound fisheries management principles on traditional harvesters and recreational user groups.

Quinault tribal fisheries staff participate in a number of inter-jurisdictional forums such as the Pacific Fisheries Management Council and the United States Canada salmon interception treaty negotiations. Recognizing the importance of tribal fisheries management to the total fisheries, the tribe and other management concerns are beginning to address the issue of weaker salmon stocks originating from Western coastal rivers. Additional resources will be necessary in the future to gather data influential to coastal fisheries regulation insuring that future runs are managed for optimal benefit to treaty and nontreaty fishermen.

The anadromous fisheries knows no geographic boundaries in its life cycle requiring ever-increasing managment sophistication by all users dependent on the resource. Commercial and recreational fishermen can never again assume a limitless resource. Considering the multitude of factors and competing interests impacting the anadromous fisheries, extensive coordination of management and collection of biological data is absolutely necessary to factually understand and collectively determine fisheries management strategies to protect and enhance this resource. The BIA fiscal year 1984 budget request reflects positive support for tribal fisheries technical assistance, management, and enhancement. The funding for the BIA fisheries technical service unit, however, should be understood as a tribal resource rather than an expansion of the BIA bureaucracy.

Although not a direct concern of this subcommittee, the Salmon and Steelhead Conservation and Enhancement Act of 1980 (Public Law 96–561) provides for the coordination among the States, tribes, and Pacific Fisheries Management Council to plan and implement salmon and steelhead enhancement programs. With planning near completion, it is extremely important that an appropriation increase to $3 million to provide adequate implementation support. The legislation holds the promise of dramatically improved communication in the planning stage, reduced tensions in the Pacific Northwest, and focused collective attention on the important tasks of fisheries protection and promotion.

In closing, I remind this committee during this period of fiscal restraint that the key concern, echoed by this administration's expressed Indian policy, is the support for tribal governments and their developing economies. Appropriations should focus at the tribal and BIA agency and IHS service unit levels with necessary reductions taken at the central/area office levels. Tribal government existence and development is the sole purpose of this committee's deliberations and appropriations at the tribal level should be a priority concern.

## STATEMENT OF DANA R. NORRIS, GOVERNOR, GILA RIVER INDIAN COMMUNITY, SACATON, ARIZ.

## ACCOMPANIED BY ROD LEWIS, GENERAL COUNSEL

Senator McClure. We'll next hear from the Gila River Indian Community, Dana R. Norris.

Good morning, Mr. Norris.

Mr. Norris. Senator McClure, my name is Dana R. Norris, I'm governor of the Gila River Indian Community, located in Sacaton, Ariz. Mr. Rod Lewis is the general counsel for the Gila River Indian Community.

I am not going to read my statement. I will attempt to summarize very briefly the contents of the written statement that I have submitted for the record, although the Gila River Community has some very important major concerns that we would like to address to the committee.

We realize that within the constraints of funds available we will emphasize basically three major areas of concern that we have.

One of our primary concerns relative to our well-being on the Gila River is a request for emergency appropriations to upgrade and to maintain the irrigation system that is in existence there since 1924.

I would refer the committee to the document entitled "Emergency appropriation request" for your file and for your review. The figures, the data, the rationale for the appropriation request is in the document itself.

And the other area of our concern is relative to health needs. As you know, Congress has appropriated $699,000 in fiscal year 1982 for the hospital at Sacaton, Ariz. and subsequent to that in the 1983 budget, there was an appropriation for $500,000.

However, the Department of Health and Human Services to this day has not released the funds for the planning and design of the Sacaton hospital and we would like to have the support of Congress to have the funds broken loose so the plan and design can go on.

The last and final thing that we would bring to the attention of the committee is for the continued funding and support of education. We feel that we need an increase in education; however, we realize that as I stated earlier because of the budget constraints that we face at this point, we would entertain the idea that the funding level should remain at the 1982 level to adequately carry forward these programs in the Gila River.

Then still in education relative to the proposed closure of the Intermountain Boarding School at Brigham City, Utah, we are in opposition to this closure. We feel that this boarding school serves a very important and vital purpose for students from Gila River who attend there, and we feel that because of this we would like to have the support of Congress to keep the school from closure.

I would just like to take the liberty, if there is a jobs bill and this jobs bill is to go forward, I'd like to request Congress to have a set-aside for the Indian people.

Senator Stevens [presiding]. I'll keep that in mind. Tell me, how many students do you send from Gila River to the boarding school?

Mr. Norris. At any given time anywhere from 30 to 50. There have been times when we've had as many as 100 students there, but due to the cutback we've gradually reduced that, and as you know we have only three grades, 10th, 11th, and 12th at the Brigham City school.

There are certainly other boarding schools in the Southwest which serve the Southwest area to which we send our students as well.

Senator Stevens. I note that you say that the State has reduced its equalization plan support for your schools commensurate with the impact aid money you received.

When did that happen?

Mr. Norris. I would like for the general counsel to speak to that.

Mr. Lewis. Senator Stevens, that is happening now, that proposed measure which is going through, and it's been appealed to the Department of Education.

We are not too optimistic that Indian school districts will be successful. All indications are that the Department of Education is going to allow this policy to go forward. What it does is simply cripple reservation public schools.

Senator Stevens. Is your State plan like ours that there's a base amount that's added to by revenues from each school district?

Mr. Lewis. That's right, Senator Stevens. What happens is, of course, the reservation tax base is almost nonexistent on many reservations so we depend upon the State appropriation in effect, and of course, many schools—maybe 50 percent of their operating costs come from the impact aid moneys.

And so if the State reduces their own State aid by the amount over the basic cost of the school, you can see that many schools will suffer.

Senator Stevens. I know they would, but it hasn't happened yet.

Mr. Lewis. It has not happened yet; maybe 50 percent of their operating costs come from the impact aid moneys.

And so if the State reduces their own State aid by the amount over the basic cost of the school, you can see that many schools will suffer.

Senator Stevens. I know they would, but it hasn't happened yet.

Mr. Lewis. It has not happened yet; it's being appealed and possibly litigation could ensue, but it certainly is a threat.

Senator Stevens. I'd ask you to keep the committee informed as to the outcome of that. Will you please?

Mr. Lewis. We certainly will.

### PREPARED STATEMENT

Senator STEVENS. Thank you very much. Thank you, Mr. Norris, we appreciate your courtesy.

[The statement follows:]

### STATEMENT OF GOV. DANA NORRIS

Senator McClure, members of the subcommittee; I am grateful for this opportunity to appear before you to present the concerns of the Gila River Indian Community of Sacaton, Ariz.

The recent budget reductions have had a tremendously adverse impact on the Gila River Indian Community. Unemployment has soared to an all time high and we estimate that over half of our employable adults are not gainfully employed. But consistent with the President's recent message on self-determination and economic self-sufficiency, the community is exerting every effort to develop the available natural and human resources on the Gila River Indian Reservation.

The community has major concerns in almost every area of reservation life and urges that this committee increase funding to educate young Pima and Maricopa Indians, to improve our substandard health care system, to support social services programs, to stimulate economic development, to support our efforts in asserting our water rights claims, and to meet our constantly increasing burden in law enforcement.

The focus of my comments today will be on our irrigation systems, our health needs, and funding for education.

The Gila River Indian Reservation consists of 372,022 acres of which 266,542 are irrigable. The San Carlos Indian irrigation project was authorized by the act of June 7, 1924, with construction of Coolidge Dam on the Gila River to provide water for the irrigation of lands allotted to the Pima Indians on the Gila River Indian Reservation, Ariz. Projects to provide water for the reservation have been initiated on a piecemeal basis over the intervening years since initial construction during the 1930's.

Improvements in the system are necessary to reduce seepage losses and to increase irrigation efficiencies and delivery capacities, thus increasing tribal income. For instance, Gila River farms, a tribal enterprise, is one of the most successful self-sustaining tribal farm operations in the United States and many tribes have patterned farm entities based upon our farms' plan of operations.

Under the act of 1924 the U.S. Government was and is obligated to maintain the project; however, maintenance of the system has been inadequate due to continued reduced operation and maintenance budgets for the local Bureau of Indian Affairs operating agency to the extent that delivery of irrigation water is inadequate to serve the project areas.

Therefore, the Gila River Indian Community has identified priorities and requests that the U.S. Congress provide emergency funding for a master plan to identify and assess the estimated costs of rehabilitation and construction of our irrigation systems. In addition, emergency funds are needed for immediate rehabilitation of the San Carlos irrigation system, for the construction of a detention dike to protect the South Side Canal, for the construction of two irrigation wells, and for a herbicide maintenance program. The total estimated cost of this emergency program is $3,420,000.

Other priorities include concrete lining of two major canals thereby eliminating two major bottlenecks now restricting water delivery. Finally, funding is needed to enable Pima Agency to buy heavy equipment to properly maintain our irrigation systems.

The tribe does recognize the budget deficits the administration is faced with, but we feel strongly that funding of our emergency needs is necessary to prevent the tribe from experiencing severe hardship as a result of poorly maintained irrigation systems.

For many years, the community has appeared before this committee to seek support for the Sacaton Hospital and finally planning and design funds were appropriated in fiscal year 1982. Additional funding was added in fiscal year 1983, but this initial planning and design has not begun because the Department of Health and Human Services has refused to release these moneys. The tribe has formed a planning committee and we have met with the planning component of the Indian Health Service in anticipation of the release of the funds, but the Indian Health Service has not been allowed to spend these funds.

We urge that the Congress make every effort to persuade the Department to begin planning for the Sacaton Hospital as soon as possible.

Another major concern of the community is continued funding for the community health representatives (CHR) program. With the results of the recent study now available to Congress, we again request that there be funding at the same level for fiscal year 1984 as there was in fiscal year 1983. On our reservation CHR's play a vital role in the delivery of health care services and greatly enhance the capability of the Indian Health Service in meeting the special and unique needs of Pimas and Maricopas, especially with respect to diabetes and arthritis.

Because Federal support is the life blood of our tribal education efforts, it is imperative that funding for our educational programs be increased, or at least maintained at existing levels, to assure that the Federal Government fulfills its trust responsibility to educate Indian children. At Gila River our drop-out rate for students sent to both public and BIA boarding schools has reached 60 percent by the end of the ninth grade. Since 52 percent of our population is under the age of 18, the disastrous effects are obvious. Johnson-O'Malley funds provide needed transportation moneys so that our children may attend off-reservation public schools. Despite having a population of nearly 1,000 high school students, we do not have a high school located on the reservation.

This lack of adequate State support for reservation schools is a continuing dilemma. In addition to not supplying transportation services there now exists the threat of a decrease in State funding for public schools on the reservation. If the State of Arizona is allowed to proceed with its plan to "equalize" the financing of public schools, the quality of education on the reservation will continue to decrease. The State's equalization plan will result in a decrease in State aid simply because reservation schools receive impact aid (Public Law 874) funds to offset the added financial burden of educating children on reservation land.

In addition, our higher education and employment assistance programs, which provide post-secondary vocational and academic support to Pima and Maricopa students must be preserved as well as support of off-reservation boarding schools. If our students are ever to take their rightful places as productive members of the community, they must have the skills to compete fairly in the job market. And, until there are reasonable and rational alternatives to a boarding school education, the existing off-reservation boarding schools must be adequately funded. For that reason, we oppose the proposed closing of Intermountain School.

Finally, we support the funding of contract schools such as the Blackwater School located on our reservation. Community control of the education of our students is the best way that we can assure that our students receive the best possible education.

Your courteous attention to our concerns is greatly appreciated, and I thank you for this opportunity to appear before this committee.

## STATEMENT OF BERNARD KAHRAHRAH, CHAIRMAN, KCAILUC AND CHAIRMAN OF COMANCHE INDIAN TRIBE OF OKLAHOMA

ACCOMPANIED BY:

BILLY EVANS HORSE, VICE CHAIRMAN, KCAILUC AND CHAIRMAN, KIOWA TRIBE OF OKLAHOMA

LONNIE TSOTADDLE, SECRETARY, KCAILUC AND CHAIRMAN OF APACHE TRIBE OF OKLAHOMA

Senator STEVENS. We'll next hear from the Comanche Indian Tribe of Oklahoma, Mr. Kahrahrah.

Mr. KAHRAHRAH. Good morning, Senator Stevens, Bernard Kahrahrah.

Senator STEVENS. Would you please identify the people who are with you at the table?

Mr. KAHRAHRAH. I'm the chairman of Kiowa, Comanche, Apache Intertribal Land Use Committee, and chairman of the Comanche Tribe of Oklahoma. To my left is Mr. Billy Evans Horse, vice chairman of the

Intertribal Land Use Committee, and chairman of the Kiowa Tribe of Oklahoma. To my right is Mr. Lonnie Tsotaddle, secretary of our Intertribal Land Use Committee and chairman of the Apache Indian Tribe of Oklahoma.

We have come up here prepared with a statement for the record. We did have somewhat of a pleasant surprise on Wednesday when we were testifying before Congressman Yates' committee.

Our pleasant surprise was a question by the Congressman in regard to Fort Sill Indian School. He asked if we wanted to reopen the Fort Sill School. We were kind of taken aback by the question and our reply very slowly was "Yes, we definitely want to reopen it, the Fort Sill Indian School."

So we have assumed a responsibility to have the documents provided to his committee in 2 weeks regarding the survey or the followup of the students that had attended the Fort Sill Indian School and where these students are, what they're doing, what has been the net effect and impact upon the closing of the Fort Sill Indian School.

At the present time the Fort Sill Indian School is not being utilized; however it is being maintained at a very minimal level by the Bureau of Indian Affairs. Their budget that they are utilizing I understand is not coming out of of the Anadarko area office, but is being taken from the Albuquerque area office for that purpose of maintaining and providing security.

The request that we did have was a request of additional funding for fiscal year 1984 in order for us to have the completion of a transitional plan whereby the land which has been already turned over to us, the buildings and personal property, would be turned over to our control with a time for this transition.

It would give us the opportunity to be able to put into place our management systems which we would have to have in place before assuming total control and having the ability to be able to provide programs at Fort Sill Indian School who would lease our facilities, but as I said on Wednesday——

Senator STEVENS. The plan is not for the BIA to reopen it, but for your tribes to reopen it; is that correct?

Mr. KAHRAHRAH. The initial plan was for the tribes to reopen. We would have total control of the facilities, but with the question from Congressman Yates, if we wish to reopen, our thoughts immediately went to contracting Fort Sill Indian School as some sort of educational technical center or maybe secondary as the original purpose, which was for elementary and secondary education.

Senator STEVENS. Hasn't it been available to you all the time?

Mr. KAHRAHRAH. It has not been available because we have an injunction against the Bureau of Indian Affairs from entering the facility because we still have not satisfied the question regarding the personal property and the buildings.

The manner in which the injunction was filed, it was filed because there was not consultation with the tribes affected by the closure of the school. The judge then ruled that because of the lack of consultation, that he felt like there should be ample time provided for the U.S. Government and the tribes to be able to determine the ownership of the buildings and the personal property.

Senator STEVENS. In what year was it closed?

Mr. KAHRAHRAH. September 1980 was I believe the date that it was closed. It has since been sitting idle and it has had the injunction over the past 2½ years.

Senator STEVENS. What's your impression of what Mr. Yates wanted to do?

Mr. KAHRAHRAH. Our impression is that he wished to reopen the school, not getting into the primary educational purpose but simply stating, "Would you like to reopen the school?" And we said "yes."

However, there were some areas that came to our mind that it could become an educational training center and perhaps utilizing the H.R. 999, if it becomes law, or Senate bill 27. That's one of the areas of activities in the schools, just as a "for instance."

Senator STEVENS. Would you be willing to accept responsibility for the school and all its property?

Mr. KAHRAHRAH. Yes.

Senator STEVENS. What else do you have in mind in your statement? What else would you like to call to our attention today?

Mr. KAHRAHRAH. We have in our testimony—and I will just summarize—we are opposed to the closure of the other Indian boarding schools. The Department of Education, we are asking your support to continue the title IV in Indian education.

In HUD we have no idea what this new program is that is being offered, and repealing the old legislation under housing and repealing the 121 program which is administered by the Indian Health Service kind of provides us with some confusion because we have no idea what is being offered by HUD.

Therefore, we request your support for the continuation of the current housing and sanitation legislation. We are opposed to the transfer of the ANA to the Bureau of Indian Affairs which we understand is going to be done.

The Indian Health Service, it goes without saying, that again I think that the administration does not take into consideration the wishes of unanimous support for the CHR program. We're again asking your support for the CHR program under the Indian Health Service.

We're asking the restoration of a $1.5 million under the Indian health manpower in order for the health recruitment programs in INMED and the MPH programs in the universities as listed and providing for new starts.

In the sanitation facilities program, I mentioned that previously, that they wish to eliminate that 121 program. Contract health service again for the Indian Health Service seems to be a continuing problem because there just does not seem to be enough funds.

Senator STEVENS. The last statement seems to be the problem: There don't seem to be enough funds.

Do any of you other gentlemen have something to add to that statement?

Mr. HORSE. I would like to make a statement for your record in respect to the boarding school that's proposed to be closed.

You may or may not understand the reasoning, but I'm about to state that the only reason why the Indian child is accepted primarily in the public school system is the fact that once he makes his application for that public school district to participate, he automatically qualifies that school district for no less than five to six different levels of different funding for that school district. And once it is initiated and accepted upon application, that the school really doesn't care whether or not the kid stays in school, and as a result, 50 percent or more qualify in the dropout area as well being pushed out on the street.

In the State of Oklahoma the record will prove to the fact that the greatest number of incarcerations in the county systems as well as the State reformatory penitentiary system, it's running about 90 percent higher in the sense that of all other races of people in the State of Oklahoma.

Some of these are the products in the sense of the boarding school that was closed down, and the other problems it has created is a scenario of alcoholism and drug abuse and so forth. So I am speaking on behalf of the grassroots level Indian people in that respect. That the closure of this boarding school creates those types of problems, not only to the fact that an Indian child who is not wanted by the parents, or whatever the case might be—from broken homes, but if nothing else this child is given a place to sleep and eat and have a decent shot and chance in life and the respect of somebody caring for him in this way.

So that's my position in respect to the boarding schools. I would like to see those kept open, if nothing else but to provide some type of opportunity for some Indian child that will have a chance in life.

Senator STEVENS. Thank you.

Mr. KAHRAHRAH. Any questions?

Senator STEVENS. I appreciate your comments. I understand the situations about boarding schools. We have gone through that in Alaska, too. So we will take heed of your testimony.

We look forward to your comments about what you would propose to do with that school. From my point of view, I would be more than willing to assist the Senators from Oklahoma in seeing that it was turned over to you if you want it.

Mr. KAHRAHRAH. Would you be willing to accept the records that will be sent to Congressman Yates for the record on the Senate side?

We plan to send information regarding the follow-up on this on to the people who had formally attended Fort Sill Indian School.

Senator STEVENS. From my point of view, it is not as important what those who have been there think. It is the people who have children who want to go there think. So, hopefully, you would send us copies of the statements that you give to Congressman Yates' subcommittee.

Mr. KAHRAHRAH. We sure will.

### PREPARED STATEMENT

Senator STEVENS. Thank you very much, gentlemen. We will include your statement in the record.

[The statement follows:]

### STATEMENT OF BERNARD KAHRAHRAH

I am pleased to be here before you today to testify about our concerns in relation to projected appropriations for fiscal year 1984. My name is Bernard Kahrahrah. I am accompanied by Billy Evans Horse, and Lonnie Tsotaddle, we will be testifying on behalf of the KCAILUC because our interest, concerns, and land are in common.

Because of our unique political relationship with the U.S. Government brought about through our Medicine Lodge Treaty of 1867 with the U.S. Government and the U.S. Constitution. We consider this subcommittee as an appropriate forum to advance our following positions and requests.

### KIOWA, COMANCHE, AND APACHE INTERTRIBAL LAND USE COMMITTEE

Fort Sill Indian School was formerly a BIA boarding school in Lawton, Okla. Its closure did not have national publicity as are the schools slated to be closed in 1983.

Our differences (legal) regarding buildings and personal property on the Fort Sill Indian School grounds have not yet been resolved; however, the land has been transferred to our ownership. With our differences resolved the eventual control of FSIS will be transferred to the KCAILUC for its own purpose and use.

If the facilities were to be transferred to our committee, we would not be prepared financially to receive the control. Knowing our need for increased capabilities, we have on several occasions discussed a transitional plan whereby the BIA would continue funding the security and maintenance. The BIA has agreed to a transitional plan.

Our request to this committee is for continued funding for the schools minimal budget (maintenance and security). Specifically, an estimated $210,000 for fiscal year 1984 is requested. The transitional plan will be developed in the near future by KCAILUC and BIA.

### BUREAU OF INDIAN AFFAIRS (BIA) OFF-RESERVATION BOARDING SCHOOLS

We do not agree with the projected closure of the three Indian boarding schools at Concho, Okla.; Wahpaton, N. Dak.; and Intermountain, Utah. Specifically, we are most interested in the Concho School not closing. It presently serves a unique service to many of our young people who's cultural background is definitely Indian. There are no State schools comparable to this institution. This educational facility serves an age group who have special educational problems. To close the school would seriously interfere with the normal development of the young peoples lives. The weight-formula for students enrolled in BIA schools needs to be increased. The closure threat of BIA schools has caused many Indian parents not to enroll their children in school anywhere. Indian children not in school, has in the past caused a rise in drug abuse and juvenile crime. The schools are needed.

### ECONOMIC DEVELOPMENT

The KCA tribes support this administration's promotion of tribal self-sufficiency and creating a more favorable environment for the development of healthy tribal economics. Because we feel so strongly about this area of growth we urge Congress to pass higher authorizations of economic development initiatives.

### DEPARTMENT OF EDUCATION (DOE)

It is a most critical time for Indian education particularly when three Indian boarding schools are projected for closing and title IV of the Indian Education Act is slated to be terminated. The chance for improving the quality of life and education for Indian youth and adults through this act are far reaching. As tribes move toward social and economic independence many problems still exist. Changing technology requires trained people to fill areas of need; self-determination requires an understanding of ones self and the larger society; and improved economic conditions requires employment opportunities. These requirements can be met through education. We urge Congress to continue to appropriate funds for the Indian Education Act.

### CETA JOBS TRAINING PARTNERSHIP PROGRAM

It is estimated that tribal unemployment rates will continue to rise in relation to the state of the Nations economy. With the Nations unemployment rate running at 11 percent the three tribes have to contend with much higher rates of unemployment. The rate of our unemployment may vary from 10 percent to high of 70 percent depending on the location of our rural service area. It is critical that employment and training budgets remain at the current levels if not higher. To reduce employment program appropriations would definitely have an effect upon the tribes administrative capabilities. We request that budgets remain at level of fiscal year 1983.

### DEPARTMENT OF HOUSING AND URBAN DEVELOPENT (HUD)

To eliminate substandard housing in Indian country is a tremendous feat to accomplish. In order to have marked success toward the above mentioned objective, sequentially, the tribes must learn the housing system to function at an optimal level. While tribes are at varying degrees of success they have done so due to acquiring knowledge of operations of a housing system.

With this in mind, the administration proposes a new program and eliminating the system known best by the tribes. In addition, the administration will eliminate the sanitation facilities construction program (SFCP) or the 121 program funded by the Indian Health Service (IHS). Not only does this new approach, at this time, seem counterproductive but also confusing. Our tribes have not had the timely benefit of awareness, training, and technical assistance to best utilize the new legislation being proposed. We seek your support in continuing the current housing and sanitation legislation.

### ADMINISTRATIVE FOR NATIVE AMERICANS (ANA)

Our committee opposes the proposal to have the Bureau of Indian Affairs (BIA) actually administer the grants beginning April 1983. Also, we are opposed to the reduction of $3.8 million from the estimated level for 1983 ($26,300 million). We, therefore, request your support to restore ANA funding to the estimated level of $26,300 million for 1983. Why allow the BIA to stymie a valuable program which is working. ANA's current social and economic development strategy (SEDS) offers a unique, refreshing, and adaptable approach to aiding the native Americans.

### INDIAN HEALTH SERVICE (IHS)

*Community health representatives (CHR).*—Again, the administration causes considerable anxiety by proposing the elimination of the CHR program. It goes without saying, the Kiowa, Comanche, Apache Intertribal Land Use Committee opposes the administrations position and enjoins the U.S. Congress' support by requesting $29 million line item appropriation for the CHR's. Congress' continued interest and support of the physician extenders is greatly appreciated. Last year the administration observed the unanimous support in behalf of the continuation of the CHR's and it escapes our understanding how the wishes of all the American Indian people continues to be ignored.

### INDIAN HEALTH MANPOWER

The dearth of Indian health professionals has given more than adequate justification for title I, Indian health manpower; Public Law 94-437; Indian Health Care Improvement Act. Our need for Indian professionals who can provide and offer quality health care can be met by the Congress restoring into the Indian Health Service budget $1.5 million for fiscal year 1984. This request would continue the INMED program at the University of North Dakota School of Medicine, the MPH program at the Universities of California, Oklahoma, North Carolina, and Hawaii, as well as provide for new starts in the scholarship program of title I. The $1.5 million plus President Reagan's request of $4.2 million would equal the amount available in fiscal year 1983 ($5.8 million).

### SANITATION FACILITIES CONSTRUCTION PROGRAM (SFCP)

Due to our opposition to the new housing program offered by HUD, we are, therefore, requesting Congress' support to restore a budget authority for the continuation of the SFCP (121 program). Further, KCAILUC has opposition to the administration proposing to transfer authority of the SFCP to HUD or repealing the existing sanitation facilities law. (See related section entitled HUD).

### CONTRACT HEALTH SERVICES

The IHS hospital at Lawton, Okla. is in drastic need for outside contract services funds we seek your support in appropriating $800,000 in fiscal year 1984.

## STATEMENT OF ANTHONY DRENNAN, CHAIRMAN OF THE COLORADO RIVER INDIAN TRIBES

Senator STEVENS. The Colorado Indian Tribe, Mr. Drennan.

Mr. DRENNAN. Mr. Chairman, my name is Tony Drennan, chairman of the Colorado River Indian Tribes. With me today I have the vice chairman of the tribe, Mr. Harold Laffoon.

It is our pleasure to give this statement to the Senate Subcommittee on Appropriations in support of the ongoing needs of my people.

My testimony is in two parts. One is on the economic side. The other is the Indian Health Service side.

Power is an important subject, and I wish to speak to the hydroelectric powerplants.

The Colorado River Indian Reservation has entered a phase of economic growth, with a large potential for further development. The economy is centered around the expansion of irrigated agricultural and water-oriented recreational development.

The Headgate Rock Dam is located on the Colorado River 14 miles downstream from Parker Dam. The dam, completed in 1941, provides diversion facilities with sufficient capacity to serve about 100,000 acres of land on the Colorado River Indian Reservation.

Our reservation is comprised of 270,000 acres, 130,000 being arable acres. The Headgate Rock powerplant would supply all future electric power requirements for the operation of irrigation and drainage facilities and a portion of the residential and commercial requirements of the Colorado River Indian Reservation.

In October 1982, President Reagan, with Congress, approved $51 million in Bureau of Reclamation fiscal year 1983 funds to building a powerplant at the existing Headgate Rock Diversion Dam. However, Congress did make a determination that no new construction projects could begin during this fiscal year 1983.

The position of the tribe is that reconsideration be given to the startup of the hydroelectric powerplant, based on the fact that there is an existing facility and that it can basically be determined that this is not a new startup construction program but that funds have been allocated for the completion of the hydroelectric dam, on which construction began in 1940.

The second item I would like to speak about is the nonappropriated programs exemption from manpower and travel ceilings imposed by the Federal Government. In trying to improve and impose restrictions on regular programs, the Government has allowed those rules and regulations to severely hamper the operation and maintenance of irrigation and power projects funded by nonappropriated moneys.

The operation and maintenance of the Colorado River Agency Irrigation and Power Projects, located on the Colorado River Reservation, have been and are severely hampered by the imposition of travel and federally imposed ceilings.

The tribal superintendents and concerned water and power users have appealed to no avail to the Bureau of Indian Affairs for exemptions for these programs funded from their own moneys.

These funds are collections from power customers and water users and do not come from the general appropriations. Customers expect the services as a result of having paid their moneys. This service means that operation, maintenance, and replacement of facilities required for the delivery of water during the irrigation season for the production of crops and a dependable power supply serving these irrigation units.

Funds are collected from water users prior to the beginning of the irrigation season and from power customers on a monthly basis. If funds are not received as required, services are terminated. However, when limited services are rendered, no refunds are made available to the users.

Restrictions on nonappropriated moneys promote a detrimental effect on the Bureau's regular appropriated funds. Superintendents who have to maintain or increase personnel to provide service to irrigation and power customers find themselves trying to administer other appropriated programs without sufficient staff, to reduce positions and travel restrictions placed on the agency as a whole.

It is our understanding that exemptions have been obtained by the Defense Departments and others who fall under the same circumstances as the Bureau of Indian Affairs power and irrigation operations. The placing of manpower and other restrictions on operations result in unfilled vacancies, inability to provide required services, loss of revenue, lack of maintenance, and a number of other adverse conditions.

We are recommending that Congress direct responsible agencies to exempt nonappropriated programs from manpower and travel ceilings. It is apparent that if we are unable to make the adjustments necessary in our programs that it would affect the total reservation program.

To summarize the request of the Colorado River Indian Tribes, they are: One, to recognize the Headgate Rock Dam is not a new startup construction program and to allocate funds for its construction in fiscal year 1983; and, two, to exempt nonappropriated programs from manpower and travel ceilings.

If there are any questions on this, I will be pleased to respond.

Senator STEVENS. I think that money has to come from the Subcommittee on Energy and Water. We will be happy to discuss it with them and give them that information.

Mr. DRENNAN. Thank you. We appreciate your support.

Next on the testimony, we have the Indian Health Service. Rather than summarize, I would like to go ahead and read, because I might miss——

Senator STEVENS. I am sorry, I am dropping behind here in our schedule, and there are other people to be heard.

I have read it, and I understand your recommendations. The only question I would have is this legislation that you recommended, particularly the sliding fee for service concept on page 3.

What is that? What are you proposing? Are you proposing that for someone who has less than one-quarter degree Indian blood, there be a fee for someone that is one-eighth? It would be one-half of what it would be for someone who is three-quarters?

I don't understand how it would work.

Mr. DRENNAN. On our particular reservation, we have tribal members who are less than one-quarter, and I think on other reservations they have members that are less than one-quarter. And in order to accommodate our people that are enrolled and can qualify under the one-quarter Indian degree, that a sliding scale be imposed upon their income or ability to pay.

And I think this would help finance the service units, the hospitals, that we deal with.

Senator STEVENS. I thought that you said that you agreed with the concept that there should be no service for those who are considered to be non-Indians.

Mr. DRENNAN. Yes; but I am talking about those that are already enrolled that are less than one-quarter.

Senator STEVENS. I see. All right, we would be very interested to see that legislation. I am not sure that I could support it, frankly, but I would like to see what you are suggesting.

What it would really amount to is recognition by the tribe of an individual as a member, and that member would then be entitled to some services but might have to pay for those services; whereas, other members of the tribe would not have to pay at all, is that right?

Mr. DRENNAN. Yes; this proposal is because of the severe cutbacks in the Indian Health Service, in which the dollars are not covering those enrolled tribal members that are one-quarter, and because of the financial situation we are getting less and less contract help.

Senator STEVENS. Many of our people think that there have been severe cutbacks in the Indian Health Service, but as a practical matter, for fiscal year 1982, there is $594-plus million; 1983, it is $645-plus million; and this year $652-plus million.

Mr. DRENNAN. If those dollars can get down to the service units and the hospitals on reservations, I think that it is adequate dollars, but these dollars are being eaten up by central area offices and other agencies out in the field that do not have direct services to our people's needs.

Senator STEVENS. I understand there have been increased costs. There is no question. But there have been increased demands, too. That is the problem.

PREPARED STATEMENT

Well, we will have to move on. I do thank both of you very much for your presentations.

[The statement follows:]

## STATEMENT OF ANTHONY DRENNAN, SR.

I am Anthony Drennan, Sr., Chairman of the Colorado River Indian Tribes and it is my pleasure to give this statement to the Senate Subcommittee on Appropriations in support of the foregoing needs of my people. Power is an important subject and I wish to speak of the Headgate Rock Hydroelectric Powerplant.

The Colorado River Indian Reservation has entered a phase of economic growth, with a large potential for further development. This economy is centered around the expansion of irrigated agriculture and water-oriented recreational development.

Headgate Rock Dam is located on the Colorado River 14.4 river miles downstream from Parker Dam. The dam, completed in 1941, provides diversion facilities with sufficient capacity to serve about 100,000 acres of land on the Colorado River Indian Reservation.

The Headgate Rock Powerplant would supply all future electric power requirements for the operation of irrigation and drainage facilities and a portion of the residential and commercial requirements on the Colorado River Indian Reservation.

In October 1982, President Reagan approved $51 million in Bureau of Reclamation FY 83 funds to build a power plant at the existing Headgate Rock Diversion Dam. However, Congress did make a determination that no new construction projects could begin during this fiscal year 1983. The position of the Tribe is that reconsideration be given to the start-up of the hydroelectric powerplant based on the fact that there is an existing facility and that it could basically be determined that this is not a new start-up construction program, but that funds have been allocated for the completion of the hydroelectric dam on which construction began in 1940.

The second item I would like to speak about is the non-appropriated programs exemption from manpower and travel ceilings imposed by the Federal Government. In trying to improve and impose restrictions on regular appropriated programs, the government has allowed those rules and regulations to severely hamper the operation and maintenance of irrigation and power projects funded by non-appropriated monies. The operations and maintenance of the Colorado River Agency Irrigation and Power Projects located on the Colorado River Reservation have been and are severely hampered by the imposition of travel and position (FTE) ceilings. The Tribal Chairman, Tribes, Superintendents and concerned water and power users have appeal to no avail, to the Bureau of Indian Affairs for exemptions for these programs funded from their own monies.

These funds are collections from power customs and water users and do not come from the general appropriations. Customers expect these services as a result of having paid their monies. This service means the operation, maintenance and replacement of facilities required for the delivery of water during the irrigation season for the production of crops and a dependable power supply serving these irrigation units. Funds are collected from water user prior to the beginning of the irrigation season and from power customer on a monthyly basis. If funds are not received as required, services are terminated. However, when limited services are rendered, no refunds are made available to the users.

Restrictions on non-appropriated monies promote a detrimental effect on the Bureau's regular appropriated programs. Superintendents, who have to maintain or increase personnel to provide services to irrigation and power customers, find themselves trying to administer other appropriated programs without sufficient staff due to reduced FTE and travel restrictions placed on the Agency as a whole.

It is our understanding that exemptions have been obtained by the Defense Department and others who fall under the same circumstances as the Bureau of Indian Affairs' power and irrigation operations. The placing of manpower and other restrictions on operations results in unfilled vacancies, inability to provide required services, loss of revenue, lack of maintenace and a number of other adverse conditions.

We are recommending that the Congress direct responsible agencies to exempt non-appropriated programs from manpower and travel ceilings. It is apparent that if we are unable to make the adjustments necessary in our programs, that it will affect the total reservation's program.

To summarize the requests of the Colorado River Indian Tribes, they are: (1) to recognize the Headgate Rock Dam is not a new start-up contruction program, and allocate funds for its construction in FY 83; and (2) to exempt non-appropriated programs from manpower and travel ceilings.

The Colorado River Indian Tribes wish to express our appreciation for this opportunity to present our views as they relate to Health Care on our reservation.

## BACKGROUND

The Colorado River Indian Tribes are served by the Colorado River Service Unit, Phoenix Area Office, Indian Health Service. In addition to serving the Colorado River Reservation, the Service Unit provides both direct and contract health services to the Chemehuevi, Fort Mohave, Hualapai, and Havasupai Reservations.

The Colorado River Indian Tribes are served primarily by the 50 year old Parker Indian Hospital. Although the hospital is listed as a 20 bed facility, a more accurate description would be 13 beds. The difference being what is actually available because of physical plant limitations and staffing. The facility also provides outpatient and field health services.

It is important to note, the Parker facility was one of only two "small" Indian hospitals the Senate Appropriations Committee withdrew its objection for renovation. The decision was based on the G.A.O. report which indicated the Parker facility is cost efficient.

Another important factor is that the Parker facility was the only facility in the Phoenix area to show an increase in inpatient utilization in FY '82, (9.9%).

In FY '82 the Parker outpatient clinic ranked #4 on the overall I.H.S. priority ranking for new outpatient clinic construction and the only facility in the entire Southwest in the top five.

## RECOMMENDATION NO. 1

The Indian Health Service has estimated approximately 14.5 million dollars for the construction of a new outpatient clinic at Colorado, this includes staff housing.

The Colorado River Indian Tribes request Congress appropriate only funds for the outpatient clinic for FY '84. In addition, the Tribes, based on our own design plans and actual need project not more than 4 million dollars are needed to construct an adequate clinic. It is our hope Congress will take a realistic approach to new clinic construction, we feel our projections are realistic. Our requirement is the ability of a facility to provide good basic medical care, nothing more.

## APPROPRIATIONS FOR FY '84

I would like to begin this portion of our testimony by stating increased appropriations alone will not solve our problems. Before any specific appropriation issues are addressed, we request Congress to require I.H.S. to implement the following:

- Reduction in Force/Reassignment

  Indian Health Service continues to tell everyone their management costs are only 8% of the budget. This sounds reasonable and efficient, however, this is not a true representation of management costs. The 8% figure is computed utilizing only "Program Management" funds in the formula. There are numerous "Management" functions charged to other line items in the I.H.S. budget. For example, all Service Units or other local Management functions are charged to "Hospitals and Clinics". Additionally, we have seen Area Offices staff increase almost 100% nationwide over the last three years without a corresponding increase in "Program Management" funds. The only possible explanation is that a significant number of Area Office staff are being charged to line items other than "Program Management".

  We have also reviewed the "Area Directors' Task Group Report (Jan. 6, 1983) and find their recommendations unacceptable. Specifically, Task Group recommendations regarding Headquarters activities located at Albuquerque, Phoenix, and Tucson. Indian people have given up a lot over the past two years, we are told "only life or limb" functions are being provided. How is it possible for I.H.S. to recommend keeping any of the functions at these three locations except the Data Processing Center? From a tribal perspective it is not possible.

## RECOMMENDATION NO. 2

We strongly recommend that Congress, through the appropriations process, eliminate all Headquarters functions based in Albuquerque, Phoenix, and Tucson. The only exception being the Data Processing Center in Albuquerque - this function is necessary to I.H.S. functions.

- Delegation of Authority

  "Excessive regulation and self-perpetuating bureaucracy have stifled local decisionmaking....The (Reagan) Administration will take a flexible approach which recognizes the diversity among Tribes and the right of each Tribe to set its own priorities and goals." (Statement by the President, Jan. 24, 1983). Over the past year the actions taken by Indian Health Service have been in direct opposition to this policy. All decisionmaking authority, procurement and other management authority has been centralized in the Area Offices and Headquarters. This trend must be reversed. On Wednesday, January 26, 1983 at the White House briefing on the New Indian Policy, Dr. Robert Graham, Administrator, Health Resources and Services Administration, Department of Health and Human Services, stated publicly Tribes would be given an opportunity to review and comment on proposed changes with Indian Health Service, but..."they (the bureaucracy) would make the final decision". We hope Dr. Graham's statement is not an indication of how federal agencies view implementing the Presidents' Indian Policy.

### RECOMMENDATION NO. 3

Congress must require all I.H.S. Headquarters and Area Office positions show a direct relationship to supporting the provision of health care at the consumer level. Additionally, all Area Offices should have their functions redefined to:

1) Core administration
2) Finance
3) Limited personnel
4) Limited procurement

All other functions should be immediately delegated to the Service Unit Directors.

### ELIGIBILITY

We must commend Congress for action taken by the Senate Appropriations Committee excluding non-Indians from eligibility in FY '83. This must be continued and expanded. Our positions on this issue remains the same as we originally presented last year during the over-sight hearing in Phoenix.

### RECOMMENDATION NO. 4

There is no way appropriations can keep pace with the increasing service population. We propose two recommendations to resolve this issue.

A) We propose Legislation establishing eligibility for services, for Indian Health Service and the Bureau of Indian Affairs, at 1/4 degree Indian blood or more, and membership in a federally recognized Tribe.

In order to avoid confrontations with other Tribes and the question of Tribal Sovereignty we would add a second recommendation.

B) We propose Legislation that would allow Service Units and Agencies, with Tribal concurrence, to establish a "sliding fee for services" based on income for those less than 1/4 degree Indian blood, but eligible under the current regulation. The fees collected would remain at the facility providing the service.

In proposing these recommendations, we recognize they are not the "ideal" solution. We are not sure, given the economic condition there is an "ideal" solution. However, our proposals are sound and necessary if the federal government is to meets its responsibilities.

### MULTI-TRIBAL SERVICE UNITS

Under current regulations, when more than one Tribe is being served in a Service Unit of I.H.S., the Tribe wishing to contract for a service must obtain concurring resolutions from all Tribes involved. In 1981, the Colorado River Indian Tribes proposed to contract field health services. Our data indicated some Tribes were only receiving 2% of a specific service. This was an average of over 5 years. Our attempt was unsuccessful.

We feel it is unreasonable to require a Tribe to obtain concurring resolutions, under the current regulations. It creates a situation of conflict, whereas the B.I.A. regulations permit a Tribe to contract under a multi-tribal agency without concurring resolutions.

### RECOMMENDATION NO. 5

Eliminate the requirement for concurring regulations when another Tribe receives less than 25% of the services.

It is our position that if Congress would require I.H.S. to implement these recommendations, a solid foundation would be established to allow us to:

1) Exercise more local control over health care
2) Provide more cost effective health care
3) Enhance our Government-to-Government relationship with I.H.S.

### SPECIFIC APPROPRIATION RECOMMENDATIONS

1) Provide funding for outpatient facility construction at Parker, Arizona
2) Raise the funding level of Community Health Representatives to the FY 82 level
3) Provide for inflationary increases in all other line items except "Program Management"
4) Require all Medicare/Medicaid collection to be allocated to the facility generating revenue

Thank you for your attention and serious consideration of our recommendations. I will attempt to answer any questions the Committee may wish to ask.

## STATEMENT OF EVELYN LANCE BLANCHARD, PRESIDENT, ASSOCIATION OF AMERICAN INDIAN AND ALASKA NATIVE SOCIAL WORKERS

**ACCOMPANIED BY:**

**ESTHER CRAWFORD, DIRECTOR, INDIAN CHILD WELFARE PROGRAMS, UNITED INDIANS TRAPPIST FOUNDATION, SEATTLE**

**LINDA AMELIA, CONSULTANT TO TRIBES, ASSOCIATION OF AMERICAN INDIAN AND ALASKA NATIVE SOCIAL WORKERS**

**ESTHER KREBS, DIRECTOR, INDIAN CHILD WELFARE PROGRAM, NATIVE AMERICAN COALITION OF TULSA**

**GOLDIE DENITAH, DIRECTOR, SOCIAL SERVICES, QUINAULT, WASH.**

**LUCY SHAEFFER, CHAIRPERSON, SNOHOMISH TRIBE**

Senator STEVENS. The Association of American Indian and Alaska Native Social Workers, please.

Good morning. Would you identify the people who are with you, please?

Ms. BLANCHARD. Yes; on my far right is Esther Crawford, director of Indian Child Welfare Programs at United Indians Trappist Foundation in Seattle.

Next to Esther is Linda Amelia, consultant to tribes and also provides staff assistance to the association from California.

Esther Krebs is immediately next to me and director of the Indian Child Welfare Program with the Native American Coalition of Tulsa; she is also staff attorney for the act in that program.

On my left is Goldie Denitah, director of social services from Quinault in the State of Washington.

Next to Goldie is Lucy Shaeffer, chairperson of the Snohomish Tribe and also a child welfare worker in her community.

Senator STEVENS. Thank you very much.

Ms. BLANCHARD. Thank you very much for the opportunity to speak to you briefly this morning about continued funding for the Indian Child Welfare Act.

It is hopeful that at least we are not dealing with an absolute zero out this year, as we had anticipated, but the association believes that the effort that has been manifested by the programs throughout the country warrant an increase in funds for this program. We are asking that the funds be increased to $15 million per year.

Some of the figures that we have been able to develop for 1980 and 1981 indicate that in 1980 a total of 165 programs were funded at a level of $5.5 million, and there was a total caseload of 224,554 clients. The unit cost, as we break this down per client, results in $24 per year of Indian child welfare moneys being spent on these services.

Now in fiscal year 1981, we have a total of 190 programs and 180,944 clients. This breaks down to a unit cost per client of $51 per year.

Now, we were not able to get figures out of the Bureau that we could readily compare with other situations. So we approached the Children's Bureau and got some figures on State family rates for the kinds of services that are being provided by the Child Welfare Act programs.

The Indian Child Welfare Act programs provide ongoing outreach, diagnosis and treatment, recruitment, licensing, foster care and adoptive homes, extensive crisis intervention services, alcoholism counseling services, housing development services, and even food distribution services.

In some places some of these people have even responsibility for the WIC program. This has been brought about because of reductions in other program fundings, so that we are having to squeeze in a lot of time to meet the needs of people.

If we do some comparison to what it costs to service a family in, for example, the State of Connecticut, we find that the State of Connecticut—and that is including protective services and many of the things that I described just immediately—spend about $6,178 per year per family. If we multiply our unit costs, we will come up with our latest figure, $255 in 1981 per family.

So I believe that the Indian child welfare programs have demonstrated a tremendous capacity to respond to the needs of their people.

Now we understand that the administration's plan is to eliminate the urban funding this year. In fact, the Indian child welfare title II programs really are tandem. We need the urban areas for the location of many of the children. Most of the children are picked up in urban areas, not on the reservations.

We don't have the problem of transfer of jurisdiction if you are dealing immediately on the reservation. That would help us bring these children back into their own communities.

We do have these workers here who would be able to answer specific questions that you might have about implementation, and we believe that it is time now, since we have had 4 years experience in Indian Child Welfare Act programing, to have some oversight hearings on the implementation of this effort.

Senator STEVENS. To what extent do you get funds from other programs, as you administer this program?

Ms. BLANCHARD. There are some programs, like Quinault, for example, who right now do not have any Indian Child Welfare Act programs. They haven't been funded with Indian Child Welfare Act programs for the last couple of years.

So they have some BIA social service contracts, is that correct?

Ms. DENITAH. Even though we haven't been funded for the last 2 years under the act, we have utilized a 638 social services contract and utilize anything we can—CETA workers, DBR clients, volunteers, or whatever.

And I might make a note to you that at Quinault we have a total caseload, active right now, child welfare caseload, of 212 families, and our operation total budget is $44,000 a year, and our local area social worker from the Bureau, stationed in the agency office—the salary is higher than it takes to run my whole program.

So there is just a diversity, and the BIA social worker has been there for 2½ years and has never visited the reservation as yet, and he is 45 miles away.

Ms. BLANCHARD. Linda, could you offer some information on what other moneys are involved?

Ms. AMELIA. In the State of California, there are no funds other than Indian child welfare. The first couple of years, there were 17 programs funded under the act. This year, 1982. The program, overall, nationally, was cut 4 percent, when California received a 39-percent cut. Now we have nine programs. We have the largest Indian population in the Nation. Some of the tribes don't receive any services. Some of the county welfare directors have documented to me that their services provided are not culturally relevant, and they cannot meet the needs of Indian families.

Senator STEVENS. Don't you get funds under the other programs, though, the urban funds, Head Start, under the other programs?

Ms. AMELIA. They've got services for adoption and cost of care and placement. That's totally different services. This is specifically for placement of Indian children.

Senator STEVENS. That's not what I heard just a minute ago. We were told that the program provides many other services, alcohol counseling, housing development, distribution of surplus food.

Ms. AMELIA. Those are outreach services provided by the staff that are above and beyond what the act calls for.

Ms. BLANCHARD. And there is no specific support for the programs. Many of the tribes arrange to distribute surplus food, but that doesn't necessarily mean that any of the moneys to implement that actually get into the system. The workers on the program do distribute the food, but there's not extra moneys coming in here to administer the program.

Senator STEVENS. Suppose I support an increase as you request, what assurance do we have that that money will actually go for Indian child welfare as opposed to counseling service for alcoholic problems and the family. There are moneys for that, and there are other moneys for housing services. There are other moneys for distribution of surplus food, and I think that many of us would respond very quickly to anything that we were assured would be used for assistance for children, but every time we get into this and have an increase, we find that agencies spread out into other areas, where we've already funded programs into other areas.

Ms. KREBS. Sir, there is one area that hasn't been addressed. We're dealing with Federal law. In the first round of funding in 1980, every program was granted $15,000. This $15,000 was supposed to hire staff and develop and adopt children's code, establish a judicial system, do that whole realm of services that the judicial system and the Department of Human Resources already had in place, but we were having to compete with that meager amount of moneys for the tribes to play catch-up in developing expertise and compiling foster care lists and standards and codes, adopting family lists and pay to have tribal children placed in foster care, and build foster care facilities.

It's just an insurmountable task on the amount of money that we have.

We do offer all these services that the ladies were talking about, social and legal, and we're having to do it by catch-as-catch-can, because the amount of money that we have, as you can see, would never begin to have such a comprehensive care plan.

Senator STEVENS. I know you can't open an office and pay a person full-time for $44,000, yet the ladies run the service. The money must be coming from other sources. That's what I'm trying to find out, there is money coming from other sources.

Ms. KREBS. The other programs are just funded *x* amount of dollars, and then where we can use our imagination and assistance and work together through networking, that's how we accomplish these other services. There's no money allocated from any other program for Indian child welfare. We just have to use our imagination and do the best we can. That's why we're able to offer such a range of services, because we're very sincere in this effort, and that's why we're asking for increased funds, so we can have some assistance.

Ms. BLANCHARD. Development of housing and helping your client find ways to improve his home is within the realm of protective services. In fact, that's one of the reasons why the workers have been so successful in being able to keep children within their own families, because they have searched for the resources to improve the family where it stands as opposed to removing the child and letting the family flounder around to try to find its own resources to meet the needs of their children.

So these are not construction moneys or housing search moneys, but these are services that are provided to help people improve their housing situation.

Senator STEVENS. I understand. Very fine. We thank you all very much and appreciate your coming in.

[The statement follows:]

## STATEMENT OF EVELYN LANCE BLANCHARD

My name is Evelyn Lance Blanchard and I am president of the Association of American Indian and Alaska Native Social Workers. We thank you for the opportunity to present testimony regarding funding of the Indian Child Welfare Act Title II programs. The Association requests that funding for Title II programs be increased to $15m. The programs are currently funded at a level of $9.7m. We believe that this increase is warranted in view of the need for family and children's services on and off reservations, and in view of the success made possible by the current effort to restore and rehabilitate family life in Indian communities.

In FY 80 total funding for Title II programs was $5.5m. This funding supported 165 programs with a total caseload of 224,554 clients at a cost of $24.00 per client. The average program caseload was 1,360 and the average caseload per worker for that year was 540 individual clients based on approximately 2.5 workers per program. In FY 81 total funding for Title II programs was $9.2m. This funding supported 190 programs with a total caseload of 180,945 clients at a cost of $51.00 per client. The average program caseload was 952 and the average caseload per worker for FY 82 was 476 individual clients. Although we do not have figures for FY 82, the funding level remains the same and it is estimated that the caseload data are similar.

The services provided through Title II grants cover the gamut of protective and traditional child welfare services offered by state and county agencies throughout the country. These include ongoing outreach, diagnosis and treatment, recruitment and licensing of foster care and adoptive homes. Because of the economic stress in these communities the programs provide extensive crises intervention services and, largely as a consequence of this, many programs provide alcohol counselling services, housing development services and distribution of surplus food. As an example, the social services program at Quinault provided a total of 714 surplus food services for FY 82. These supportive services serve as a hedge to the out of home placement of children and assist the staff to help maintain the family unit.

In FY 81 the Portland area maintained an average caseload per program of 217 cases with an expenditure of $775.00 per family. Comparable statistics for Sacramento and Billings areas are 368 average caseload and $184.00 average cost for services to families, and 214 cases and $280.00 per family respectively. Information from Oklahoma graphically speaks to the actual fiscal benefit to the Indian person.

ICWA appropriations to the BIA resulted in these actual figures for Oklahoma:

| FUNDS REQUESTED | FUNDS AWARDED | INDIAN POPULATION | PER CAPITA |
|---|---|---|---|
| $ 842,833.00/1980 | $ 499,403.00/1980 | 169,459 | Less than $3.00 |
| $1,568,877.00/1981 | $ 918,483.00/1981 | 169,459 + | Less than $6.00 |
| $2,386,749.00/1982 | $1,204,235.00/1982 | 169,459 + | Less than $8.00 |

It cannot be avoided that social services programs in any community provide essential ingredients of the safety net that is necessary to meet basic and common human needs.

A comparison with expenditures for like services provided by the State of Connecticut reveals an average cost of services provided to families of $6,178.00. The costs for family focused services throughout the country range from $1,500.00 to $9,000.00 per year per family. The disparity between the resources available to the general public and to Indians is staggering. Although Indians are eligible to receive services provided to all other citizens, our experience since the passage of the Act has been that the courts and social services departments choose to absolve themselves of responsibility for services to Indians and press them on the meager resources of Indian programs.

The Association offers an outline of the problems of implementation being faced by the Title II programs.

The funding process appears to be designed to demonstrate tribal inability to provide child welfare services to Indian families.

1. The time span allowed for preparation of Title II grant proposals is not adequate.
2. Technical assistance as required by the federal regulations, is not being provided to tribes in a timely manner. Furthermore, some Bureau of Indian Affairs social workers are not knowledgeable about child welfare matters.

3. Tribes should not have to compete with one another for funds.
   a. Funding is often awarded to those tribes who have expert grants writers which many tribes lack.
   b. Technical assistance in the form of grant writing is not provided by Bureau of Indian Affairs social workers.
4. There is no standard for the selection of the Evaluation Review Committee.
   a. Reviewers are not necessarily trained or knowledgeable about child welfare matters.
   b. Reviewers are not trained to conduct objective evaluations. Reviewers have demonstrated bias against competent tribal programs by denying them continuous funding.
5. Tribes are funded only for service populations of that particular tribe. Actual service delivery includes members of other tribes, as well as non-Indians living within the service area. Tribes are also called upon to provide service to their members and members of other tribes who do not reside in the service area.

6. Tribes who cannot demonstrate effective results within one year do not receive continuous funding. As a result, they are left with no recourse except to close down operations and leave a confusion of unserved client needs.
   a. Tribes should be allowed a six to twelve month start-up period. A newly funded program needs time to set up an office, recruit and train staff, set up an in-take process, a record keeping system, and to identify community services.
   b. The funding process should be guaranteed for a three year period in order for a tribe to accurately demonstrate service delivery capability.
7. Urban Indian groups represent 50 percent of the Indian population.
   a. Urban Indian children wind up in state custody proceedings more frequently than reservation Indians.
   b. Continuous funding should also be made available to off-reservation Indian programs.
8. There is no mechanism whereby State Courts are monitored to insure compliance with PL 95-608. It is well known that many state courts do not notify tribes or parents of Indian child custody proceedings.
9. There is no mechanism to monitor the private programs or independent placements of attorneys and physicians to insure similar compliance with the law.
10. Adoption policies and procedures need to be regulated so that an affidavit is kept on record which identifies the child's heritage.
11. The monitoring instrument developed by the Clary Institute for the Bureau of Indian Affairs does not accurately reflect tribal social service program accomplishments. While the instrument measures administrative abilities, it does not address the real issues defined in the Indian Child Welfare Act. As a result, the Bureau of Indian Affairs does not have an accurate picture of tribal program accomplishments, thus weakening their advocacy stance on behalf of tribal programs.

There has not been a demostrated effort on the part of the Bureau of Indian Affairs and the Department of Health and Human Services to respond to the mandate that ways be developed to insure that the resources of both of these agencies are made available to Indian tribes and programs in their efforts to prevent the destruction of Indian family life.

A funding level of $15m will begin to more adequately meet the needs of Indian families and their children.

Thank you.

## INDIAN CHILD WELFARE FACT SHEET

Submitted by: Ethel C. Krepps, President Oklahoma Indian Child Welfare Association
Attorney/Project Manager ICWA Program, Native American Coalition of Tulsa

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Continued adequate funding for ICWA Programs are essential because:

1. The intent of Congress was to prevent the removal of Indian children from their families. In the past 1 in 5 Indian children were removed from their families and placed in a non-Indian environment. This action robbed the Indian child of their natural Indian heritage and culture and caused problems with identity shock.

2. Indian Tribes have a unique legal relationship with the United States government which allows specific laws to be passed on behalf of Indian people and underlines the special responsibility toward Indian people.

3. In Oklahoma there are thirty-nine different tribes (39) removed to Oklahoma under treaties. There is little land base/requiring large urban populations.

4. There are according to the 1980 census 169,459 American Indians residing in Oklahoma. There are 66,143 Indian children living within the State.

5. ICWA appropriations to the BIA resulted in these actual figures for Oklahoma:

| FUNDS REQUESTED | FUNDS AWARDED | INDIAN POPULATION | PER CAPITA |
|---|---|---|---|
| $ 842,833.00/1980 | $ 499,403.00/1980 | 169,459 | Less than $3.00 |
| $1,568.877.00/1981 | $ 918,483.00/1981 | 169,459 + | " " 6.00 |
| $2,386,749.00/1982 | $1,204,235.00/1982 | 169,459 + | " " 8.00 |

6. These figures were suppose to provide the ICWA Programs with the necessary funds to implement ICWA Programs; establish court systems; develop children's codes; provide social services such as counseling, parenting skills, foster care standards, adoption and foster care families and payment for these services, etc. in order to compete with competing in place state systems in order for Indian people to intervene and transfer Indian Child Custody cases to tribal control.

7. The Oklahoma Department of Human Services report reveal the following figures:

| INDIAN CHILDREN IN DHS CUSTODY | OWN HOME | STATE NON-INDIAN FOSTER HOMES | RELATIVE HO |
|---|---|---|---|
| October 22,1979/ 774 Ind. child. | 275 | 213 | 122 |
| November 21,1981/ 852 Ind. child. | 305 | 209 | 148 |

This is an increase in Indian children within custody of DHS after implementation of ICWA Programs in the State of Oklahoma, for the dates given.

8. The Oklahoma Indian Child Welfare Act was passed by the Oklahoma State Legislature on April 6,1982 to support the federal law as DHS and judicial courts were doing 'their own thing' and not following Congressional intent in the implementation of the ICWA. The State to its undying credit is now working with Indian people to implement the ICWA and negotiations have begun concerning Cooperative Agreements between Indian Tribes and the State DHS regarding Indian Child Custody cases.

CONGRESS NEEDS TO SUPPORT INDIAN PEOPLE IN REQUESTS FOR FUNDING ICWA DUE TO THE LEGAL RELATIONSHP WITH INDIAN PEOPLE TO STRENGTHEN INDIAN FAMILIES AND PROGRAMS THEREBY PROMOTING THE WELFARE OF INDIAN PEOPLE AS HUMAN BEINGS TAKING CARE OF OUR OWN.

# STATE OF CALIFORNIA
# INDIAN CHILD WELFARE UP-DATE
## 1983

As many of you already know, in 1982, the Interior Department reduced the California allocation of FY 1982 funds under the Indian Child Welfare Act of 1978 (P.L. 95-608). This drastically cut back child and family service programs for the Indian population in our state.

This cut in funds inflicted a serious injustice on the Indian population of the state. In Fiscal Year 1981, California received $2.3 million of the $10 million national allocation. In Fiscal Year 1982, the total appropriation was reduced by 4% to $9.6 million and the California allocation was reduced 39.2% rather than an equitable 4% cut.

The grants under the Indian Child Welfare Act are particularly important to the Indians of California--the largest Indian population of any state in the nation. California's small tribes and Indian organizations especially need funds for child and family service programs and for prevention of the breakup of Indian families and of the placement of Indian children in non-Indian homes.

These programs are important to urban Indians as well as to rural residents because other services are not tailored to the special needs of Indians. Additionally, California Indians historically have received inequitable funding and the grants under P.L. 95-608 during the first few years was a step toward correcting this inequity.

The following is a breakdown of Indian Child Welfare Act monies allocated to serve Indian children and families in California over a 2 year period.

| | Fiscal Year 1980 | Fiscal Year 1981 |
|---|---|---|
| Total Funds | $1,078,858 | $2,297,949 |
| Total Programs | 18 | 17 |
| Total Clients | 85,606 | 62,524 |
| Average Case-load per program | 476 | 3,677 |
| Average Case-load per worker (2.5 workers av. per program) | 190 | 368 |
| Average cost per client | $12.60 | $36.75 |
| Average cost per family | $63.00 | $183.75 |

In FY 1983, the funding level is 9.7 million and the Bureau of Indian Affairs is again proposing another cut to California's Indian population from 15% to 12.7% of the national allocation. The Indian Child Welfare Act has always been funded at an inadequate level. The National Association of American Indian and Alaska Native Social Workers is recommending a funding level for FY 1984 of 15 Million.

YOUR SUPPORT IS NEEDED

## STATEMENT OF JIMMIE C. BEGAY, ROUGH ROCK DEMONSTRATION SCHOOL

Senator STEVENS. We now have the Rough Rock Demonstration School. Mr. Begay.

Mr. BEGAY. Good morning.

My name is Jimmie C. Begay, executive director of the Rough Rock Demonstration School, located in the Northeast section of Arizona on the Navajo Reservation.

I'd like to thank you for the school board and also the community people of Rough Rock to appear before you and give you some highlights of the reports that I have and the concerns of the schools.

Senator STEVENS. It's a very impressive presentation, Mr. Begay.

Mr. BEGAY. Thank you.

Senator STEVENS. Can you summarize it for me?

Mr. BEGAY. Yes; I will.

Rough Rock was the first school back in 1966 to break away from Bureau control of education and start their own six or eight contract schools. From there on, over 60 schools of this kind are across the Nation, contract schools and numerous followed with other 638 programs, and from there the concept of the tribal community college also took over from there.

Some of the concerns are the direct education budget under the Indian school equalization programs. During the last 2 years we have not received an increase on per capita basis. We were fluctuating between 1964 and 1970. This was from the Bureau. I guess, during the testimony by the Bureau last year they told the committee that there was an increase in the money areas for the 1983 school year. We haven't been told what the per capita would be. So there are still some problems in this area.

Also there has been decreases. We're very concerned. In the transportation formula, we believe that the formula that is being placed on schools such as ours is very low. An example is, we received $70,000 to the school, while at the school, in reality, they're busing over 60 percent of the students to school, and we've used over $200,000. That's for manpower, maintenance of the buses, supplies, gasoline, and so forth.

Another concern is, the school board training decrease is very detrimental to our schools, school boards in other schools.

In the past, they've received some money, I believe at least $5,000 last year. The Bureau has cut it down to a nationwide total of $25,000, saying they will only provide training manuals to all the schools. I believe they have published a training manual about 2 or 3 years ago, and it's out of date.

So these were some of the concerns under the direct educational programs.

Another area is the overhead cost. As I was listening to the testimony being given on Wednesday by Ken Smith and his people, the overhead costs, indirect costs, and also the lump sum is being worked on. I believe these same questions were posed by the committee last year. They were saying that there was an increase in the money in the overhead for the Indian support funds. But again, as in the last 3 years, we were given notification that there will be another shortfall this year. So we cannot plan—as all schools cannot plan adequately. We were just told that we could let a contract for 90 percent of last year's funding level. This was 2 weeks ago.

This problem is continuing every year. There is no adequate—there is an inadequate guideline for negotiations under the lump sum.

So another problem we have experienced with the Bureau is every year the last 3 years, we have negotiated 5 months into the school year. As an example, for 1983 we just finished negotiating the Bureau just 2 weeks ago. So those were some of the concerns that we still have.

Another recommendation I'd like to make is that there be some forward funding every year, so once we start school, and the new fiscal year starts that we have some money on hand to operate instead of borrowing money from banks or running on moneys from last year.

So that is a problem every year for our school as well as other 638 users around our area.

Senator STEVENS. I think we understand the problem. It's a problem all over the country, even the District of Columbia had to cut back their school budget this year, and my State has had to. Everybody has had to. The inflationary spiral we've gone through has just been too great, but we will review the material you've given us, and we thank you very much for your time.

Mr. BEGAY. I have one more concern. In the pre-kindergarten programs at $1.723 million that's being proposed to be cut by the Bureau, that is for 3- and 4-year-olds, we think it's very critical for these students to get an early start in education.

Thank you.

### PREPARED STATEMENT

Senator STEVENS. We will place your statement in the record at this point.

[The statement follows:]

## STATEMENT OF JIMMIE C. BEGAY

I appreciate very much the opportunity to describe to you some of the concerns of Rough Rock Demonstration School about the proposed fiscal year 1983 federal budgets for Native Americans.

Rough Rock Demonstration School was the first Indian school to start the community school concept, in 1966. Later these same type of schools started to operate under the aegis of public law 93-638: Indian Self Determination Programs.

In subsequent years of operation, we have struggled to achieve much in all facets of educational programs as well as having operated other 638 programs, such as a contract with the Indian Health Service to operate a community clinic.

We have a small cultural curriculum development center, small but effective. A result of our curriculum production is that there is a wide circulation among schools and other educational institutions of our materials.

A program for medicinemen training has operated successfully for well over twelve years now.

We have achieved good track records in all areas and programs. These same concepts were adopted by other schools, tribes, and Indian organizations. Today we can say there are over seventy schools that are contract schools, with many diverse programs being operated under public law 93-638.

From viewing the proposed 1984 budget for the Bureau of Indian Affairs and the budgets of Indian programs, it is apparent that more cuts are being proposed by the Bureau of Indian Affairs. We find a number of these to be potentially devastating to the well being of Indian education. Specifically our school board has decried, by specific resolution, the cuts proposed for Title I, Title IV, and Title VII. In like fashion they look with dismay upon the plan to defund prekindergarten and to not fund vocational education. Our school board has also gone on record against insufficiencies in the Bureau of Indian Affairs' Indian School Equalization Program formulae for the support of quality education for Indian students and as protesting the less than satisfactory handling of administrative overhead costs.

The Indian people of Rough Rock Navajo Indian community place their trust in the good judgement of members of Congress to set reasonable limits to the budget cutting fever that is gripping Washington. We must have sufficient funding to operate Indian educational programs of a calibre befitting our first Americans.

My name is Jimmie C. Begay and I am representing Rough Rock Demonstration School situated on the Navajo Reservation in Rough Rock, Arizona.

Mr. Chairman and members of the Sub-Committee; I appreciate the opportunity to describe my concerns pertaining to the proposed budget revisions for fiscal year 1983-84 with regard to the needs of Native Americans.

I specifically want to address the issues of proposed cuts to Title IV, and Title VII, Bilingual Education Program funding.

Title IV has provided much needed agumentation by our basic Indian Student Equalization Program (ISEP) funding. Development of our instructional services through the implementation of trained teacher aides and curriculum enrichment materials, have greatly increased our ability to provide meaningful educational programs for children. Academic achievement has increased. Improved self-concepts within our student population have been marked.

Title VII funding has supported the valuable bilingual component of our educational program at Rough Rock Demonstration School. The stated goal of the Reagan Administration to completely restructure bilingual education program so that they are responsive to the shallow goal of preparing students to study only in English is anathema to the goals of Indian people and the on-going bilingual programs already in progress.

Relevant bicultural and bilingual programs are necessary to the identity of our children as integrated and capable members of society. There has been strong parental involvement and our parents see these programs as critically important.

The students, parents, and staff of Rough Rock Demonstration School strongly support the continuation of Title IV and Title VII program fundings. Most Indian students enter school without a functioning knowledge of the English language and their language facility does not change by administrative fiat of the government.

The goals and philosophy of Rough Rock Demonstration School have been strongly committed to a quality bilingual, bicultural program since its birth as a school under P.L. 93-638 to provide bi-cognizant, balanced students with an integrated sense of self-worth who are capable of functioning in a positive manner necessitates the continuation of such programs as would be drastically impared through the proposed cuts in Title IV and Title VII funding.

I implore you not to undermine the hard-won progress of our Native American youth - please support continued funding in these vital areas.

## STATEMENT OF JOSEPH ABEYTA, SANTA FE INDIAN SCHOOL

ACCOMPANIED BY:
QUINCE MANHILLA, PUEBLO GOVERNOR
JAY MOUNTAIN, PUEBLO GOVERNOR

Senator STEVENS. The Santa Fe Indian School.

Mr. ABEYTA. Mr. Chairman, if I may, I'd like to introduce the two Pueblo governors that are here with me this morning. Gov. Quince Manhilla and Gov. Jay Mountain of San Ildefonso.

A point of clarification. We're here to present testimony on behalf of the All-Indian Pueblo Council, which includes the Santa Fe Indian School.

Mr. Chairman, we represent the 19 Pueblo tribes in the State of New Mexico. Our testimony today will be introduced for the record.

We are presenting testimony today in three basic components or parts. First of all, the Indian Health Service, the BIA, on education and other matters.

The Pueblo tribes in the State of Mexico receive all of their Indian health services through four service units located throughout the State of New Mexico. The problems that these service units have, where the problems are in two basic areas. First of all, in terms of staffing, we have the position ceiling. We don't have the money to hire the staff. We've got excellent facilities; we don't have the staff. We've got excellent facilities, but we can't hire or bring in patients that need care, because we don't have the staff in the clinical and ambulatory care units. We have vacancies within our own area in one facility alone of 10 nurses. We need those nurses, in order to take care of the patients and the people that need the care that these facilities were built for.

We have problems also, in terms of dental care. Again, we've got physicians, but no money to hire the people. Much of our dental care program is provided through contract services which, in the past few years, have basically stayed the same. The cost of medical care and dental care have gone up tremendously, and as a result we're basically taking care of less people now than we were 2 years ago. So we need some additional help in that area.

We've got the same problem in mental health and alcoholism. As you know, many of these preventive health programs have been on the downswing over the past 2 fiscal years. Staffing and funding shortages again are having a tremendous impact, and with economic conditions on our reservations and unemployment being what they are, the alcoholism rate in many of our communities is also showing a trend, an upward trend. Contract medical care in other areas other than dental is also in the same dire situation. We need additional help to take care of many of the surgical and eye and other specialized care that we've been contracting out to private physicians in the Albuquerque area.

The CHR program, as you know, has been one of the programs that was targeted for cutback by the administration. We're happy that the program was restored this fiscal year, and we again want to ask the committee to continue this very worthwhile program.

The services for our elderly is something that we're hoping that the committee will consider adding on additional programs and services to these people.

In the area of the Bureau of Indian Affairs, we've come before this committee at least for the 5 years making an issue of a matter which has not received much attention from the Department of the Interior. It has to do with equity funding. Eighteen of the 19 Pueblos received all of their BIA services through two agencies. That means every dollar that is spent is split eight or ten ways respectively. The problem that this has created is one which we've documented. We've brought in examples. We've asked the Department of the Interior. The House Subcommittee on Appropriations has more than once requested that the Department come in with a formula which would provide for a more equitable distribution of dollars in our area. This has not happened.

We again ask the committee to give this some serious consideration, since we strongly feel that we are not getting our fair share of Department of the Interior resources.

One other major area, Mr. Chairman, that we'd like to bring to your attention is the problem with our Santa Fe Indian School program. We have approximately 452 students who are enrolled at the Santa Fe Indian School at the present time. Two years ago when we took over the school from the Institute of American Indian Arts—or since that time, I should say—the usage of that facility has risen approximately 336 percent. There were approximately 136 students at that time. We now have 452 students. The budget for plant facilities or plant facility management has remained the same.

We need additional funds. Our present funding rate equates to approximately $2.18 per square foot, for a total square footage of 327,000, which comes out to about $725,000.

Senator STEVENS. I'm going to have to interrupt you. I want to urge the rest of you to be sure to try to summarize your testimony. I've got to go to another meeting. I just cannot stay any longer. I've overstayed 15 minutes now. The Senator who is supposed to be here has been delayed. I'm going to ask Ms. Richardson to take the testimony of such witnesses as we can continue with until Senator Burdick arrives.

I do appreciate your testimony. I do hope all of you visit your Senators while you're here. Do you all go visit your Senators while you're here, so they're familiar with the problems that you're outstanding to us? I know my Alaskans do, and I hope you all do the same thing.

Mr. ABEYTA. Should I proceed?

Ms. RICHARDSON [presiding]. For a minute. We've gotten behind today.

Mr. ABEYTA. I just want to summarize this problem. We need additional funding there. We have professional experts come on our campus, look at the facilities, in terms of the overall condition and needs. They've all agreed that instead of $2.18 per square foot, we should be getting $4.

Ms. RICHARDSON. The Office of Construction Management has provided the subcommittee with some recommendations for redistribution of the maintenance funds. Quite frankly, at this point, I don't remember what they recommended for the Santa Fe School, but there were some substantial changes, and we will be taking a look at those to see if we can better meet the needs within the fund by redistribution.

Mr. ABEYTA. We have a letter from the chief engineer for our area supporting our contentions.

Ms. RICHARDSON. Thank you.

Mr. ABEYTA. Just for the record, in terms of a couple of educational facilities in the State of New Mexico which have been kind of controversial, first of all there is the SIPI school, the Southwest Polytechnical Institute. We support the continued funding of that facility in the program there. We also oppose any efforts on the part of the administration or anyone to terminate title IV programs. They've done a good job in our State. One thousand four hundred Pueblo kids are affected right now, and to terminate that problem is going to bring about an adverse effect not only on those kids but the school district and other problems that we've developed over the years.

The proposed transfer of ANA to BIA has implications in terms of the Interior budget.

Ms. RICHARDSON. That would be handled by the Labor-HHS subcommittee.

Mr. ABEYTA. We just want to state for the record that we're opposed to that.

The emergency jobs bill is a program we strongly encourage and support. We're hoping that the Indian community in this country will get a 5-percent set aside. This is what we're talking to to our delegation, and we hope it's communicated to the rest of the Congress.

Thank you very much.

## STATEMENT OF CARL WALN, CHAIRMAN, ROSEBUD SIOUX TRIBE, MEMBER, EXECUTIVE COMMITTEE OF THE COUNCIL OF ENERGY RESOURCE TRIBES

ACCOMPANIED BY:

ROBERT MARTIN, DIRECTOR, GOVERNMENT AFFAIRS, COUNCIL OF ENERGY RESOURCE TRIBES

JUDY KNIGHT, BUTTE MOUNTAIN TRIBE COUNCIL OF ENERGY RESOURCE TRIBES EXECUTIVE COMMITTEE

Ms. RICHARDSON. We will next hear from the Council of Energy Resource Tribes, Carl Waln.

Mr. WALN. Thank you, Ms. Richardson.

My name is Carl Waln, chairman of the Rosebud Sioux Tribe. I am also a member of the Council of Energy Resource Tribes' executive board.

I have with me Robert Martin, director of government affairs of CERT; Judy Knight, Butte Mountain Tribe CERT executive committee. We're appearing on behalf of CERT board chairman Wilfred Scott, Nez Perce of Idaho.

We are here today to focus on a serious misjudgment of the priorities reflected in the Bureau of Indian Affairs' proposed fiscal year 1984 minerals and mining budget. Specifically, the BIA has proposed a cut of over $1 million in its program to inventory mineral resources on Indian lands, which represents a 21-percent decrease in funding as compared to the previous fiscal year.

In addition, the BIA has proposed to decrease the special minerals budget program which has been instrumental in pioneering resource assessment efforts on our reservations by $200,000. Moreover, the BIA has proposed to reduce funding to CERT to one-third our present level, from $750,000 in fiscal year 1983 to $250,000 in fiscal year 1984.

We must object strongly to these proposed reductions in funding. We feel such cuts in funding violate the commitment of this administration recently announced in the White House Indian policy to faithfully execute the trust responsibility to us by helping protect us, to wisely manage and prudently develop the resources which exist on our reservations.

The way by which we can meet these goals is not by decreasing funding in these areas of the budget. Ms. Richardson, we recommend to you in particular the following:

No. 1, generally we believe the entire trust budget of the BIA should be substantially increased over a period of time in order to accomplish these goals;

No. 2, the BIA should not be allowed to simply cut the mineral program so drastically. We urge you to consider the alternative of providing our tribes an opportunity to use the funding removed from this program to directly support our own efforts at the local level in the areas of tribal resource protection, assessment, and development. Such an alternative is entirely consistent with the decision of the President to emphasize decisionmaking at the tribal government level.

No. 3, the BIA should not be allowed to decrease CERT funding to the extent proposed in their budget submission. The funding that our organization receives under contract from the BIA, the Department of Energy, and the Administration for Native Americans at this time is the only viable source of assistance we can look to as a means of providing our tribes the entire range of technical assistance that we so desperately need to effectively protect and manage our energy resources.

In the past few years under this unique contract, CERT has met our needs in such areas as resource development strategies, environmental analysis, and tribal economic development models. We know our need for such assistance will increase in the coming years, and not decrease.

We, therefore, urge you to provide funding to CERT in the amount of $1.5 million in fiscal year 1984 in order to assure that the trust responsibility for protecting and wisely managing our resources is fulfilled. We believe that support for CERT at this time is a vehicle through which the BIA can provide fully 37 different tribes with a highly qualified technical staff equipped to serve our tribes in a manner the BIA itself has been unable to accomplish in the past.

Ms. RICHARDSON. Has the Navajo Tribe made a decision as to whether they're going to stay with CERT, do you know?

Mr. WALN. I can't answer that question at this point.

Ms. KNIGHT. Ms. Richardson, I would like to add that it's been stated there are 37 tribes in the CERT organization. On behalf of those tribes we would strongly urge that the funding for CERT be continued because at this point, until such a time as BIA can prove to the tribes that they can provide us with the services that the CERT organization has been able to give us, and technical assistance in other areas, until such a time that the tribes can stand on their own two feet in making a lot of these decisions on their own.

This is something that has been started, and we, the tribes, do not want to be left hanging in the air. We would like to be able to continue to be able to stand on our own two feet, and with the CERT organization, this has been possible, or we have been given a start.

Thank you.

### PREPARED STATEMENT

Ms. RICHARDSON. We will insert your statement in the record.

[The statement follows:]

### STATEMENT OF CARL WALN

I am Carl Waln, chairman of the Rosebud Sioux Tribe of South Dakota. I am pleased to testify before this subcommittee on behalf of the 37 American Indian tribes which are members of the Council on Energy Resource Tribes (CERT). I would like to focus my remarks on one item of critical importance to the CERT tribes in the proposed 1984 BIA budget; its minerals and mining budget. Our concern is that the drastic cuts slated for this budget, if accepted by the Congress, would be extremely detrimental to our ability to manage our energy resources as a base for long-term economic development.

The energy mineral resources owned by American Indian tribes are more than of value to us—they are critical to our long-term economic survival. For us, it is of great importance that these energy resources be properly managed in order to assure that their development can truly help us attain our long-term objectives. Unlike some other trust assets, energy mineral resources are nonrenewable; when they are gone, they are gone forever. That is why I believe the BIA's substantial proposed cuts in their fiscal year 1984 minerals and mining budget reflects a serious misjudgment of priorities.

Two years ago, CERT advocated before this committee that the minerals and mining budget at that time could be much more effectively used to provide tribal minerals management assistance, if the tribes had a greater role in determining the allocation of those funds. The problem was then, and still is, that a disproportionately large share of the budget was transferred, under inter-agency agreements, to the Bureau of Mines and U.S. Geological Survey for purposes of conducting reservation minerals inventories. Our comments at the time were not intended to belittle the importance of minerals inventories—tribes clearly need the best information available about the location, scope, and quality of our resources. However, data collection is only one aspect of effective minerals management. In addition to geological data, tribes need a broad range of information, analysis, and management tools in order to make informed development-related decisions. We need to know the environmental impacts of minerals development, the economics of alternative development scenarios and the feasibility of various projects. Those tribes who have minerals production currently underway, need to design and implement effective systems for monitoring production.

Given this broad range of needs, we have long taken the position that it is not cost effective to use the BIA's limited budget for tribal minerals assistance resources for only one aspect of minerals management, and we have, therefore, advocated that the tribes should have a greater role, along with the Bureau, in determining how to allocate the minerals and mining budget.

This year, however, we find that the BIA has deeply cut the minerals and mining budget. For fiscal year 1984, the Bureau proposes to cut $1,020,400 of the $8,234,000 in funding allocated in fiscal year 1983 for minerals inventories. More seriously still, funding for CERT is to be nearly eliminated, dropping from the fiscal year 1983 level of $750,000 to $250,000 next year. In addition, $229,600 of funds allocated for special projects, which have included contracts for mineral resource related issues, is to be cut from the fiscal year 1983 levels.

Offsetting these drastic cuts, only $388,000 is to be added to the funding allocated for tribes for 93–638 (contracting). The overall result is a proposed 16.5-percent reduction of funding for assistance to tribes in managing their resources. We believe that the proposed increase in Public Law 93–638 contracting pales in significance when compared to these figures.

We are particularly dismayed at the cut the Bureau has proposed in connection with CERT funding. CERT funding is the one item in the minerals budget which provides tribes with a whole range of technical assistance which we desperately need in order to effectively manage our energy resources, under priorities established by the tribes. CERT is, first and foremost, a tribal organization, not an arm of the Federal bureaucracy. Tribes established CERT in 1975; tribes manage the organization, and tribes use the unique technical capabilities of CERT's highly skilled staff in the most effective ways to meet our individual reservation needs.

Our technical assistance needs from CERT are bound to increase greatly for fiscal year 1984. We project that the CERT staff will perform an estimated 100 to 200 separable projects for us fiscal year 1984 in order to meet our needs in such areas as resource development strategies, environmental analysis, economic modeling, and projects to strengthen tribal energy resource management. We project that we will need $1.5 million from the BIA in fiscal year 1984 in order to meet the technical needs of the tribes.

The Indian Minerals Development Act of 1982, which passed during the 97th Congress, authorizes tribes to enter into innovative forms of minerals agreements with the private sector, such as joint ventures, production sharing arrangements and service contracts—agreements which could greatly enhance the tribes' prospects for long-term economic advancement by allowing us to be true partners with the private sector. However, the promise held out by this act can only be realized if tribes have the capabilities and information that is crucial to planning, negotiating, and managing these sophisticated arrangements. Recognizing these critical needs Congress wisely included in the act a directive to the Secretary of Interior to provide advice, assistance and information to tribes negotiating minerals agreements.

Given this situation, as well as the fact that the Secretary of Interior has a trust responsibility to the tribes, how can the Bureau's proposed wholesale slashing of funding for tribal minerals assistance be justified? In regard to CERT funding, BIA claims that the cut is "consistent with a planned schedule initiated by CERT in early 1980 which projected that CERT will become self-supporting." CERT, in fact, has never agreed to such a schedule. I find it curious that the BIA uses an unspecified schedule as justification for cutting CERT funding at this time. If a planned schedule was agreed to, why has it never been mentioned before in previous BIA budget justifications? While it is true that we have conducted numerous discussions with the Department of Interior regarding our long-term plans to move toward self-sufficiency, we have never been able to obtain the long-term commitment by the Department which would enable us to accomplish our goals according to a set plan.

Still, the CERT tribes are making a major effort to make the organization more self-supportive. Four years ago, when 25 Indian tribes first received funding for the Council of Energy Resource Tribes, the organization was started with 95 percent Federal funding. Each year since then CERT member-tribes, which now number 37, have increased their share of financial support from 4.3 percent in 1979 to nearly 20 percent in 1983. We believe that this is quite remarkable in light of the economic setbacks which have severely afflicted us in recent years as a result of the downturn in the economy, drops in the prices for energy commodities and the severe impact which Federal assistance cuts have had on the already strained budgets of tribal governments.

This level of BIA funding for CERT, we propose, is justified on several grounds. First is the tribal-Federal trust relationship: Secretary Watt and the administration have made clear that they view this relationship as one which would promote tribal economic self-sufficiency and tribal-level decisionmaking—that is precisely what CERT is helping us to achieve.

Second is the fact that Federal support for CERT is certainly not something we plan to ask for forever. Our tribal membership has grown by 50 percent in just 2 years; some of those members are presently incapable of supporting CERT through dues, and would be forced into the posture of postponing development which is needed now, were CERT forced to continue without sufficiency Federal assistance. I do want to point out that tribal dues to CERT have nonetheless increased substantially—presently 20 percent of CERT's budget comes from dues, tribal contributions—and continue to grow rapidly.

Third is, as I have just suggested, the fact that Federal support for CERT today is a highly cost-effective investment in the economic self-sufficiency of the energy-owning tribes. Such self-sufficiency can only mean a lessened reliance on direct Federal assistance in the future. And finally, support for CERT is a vehicle through which the Bureau can provide fully 37 different tribes with a highly qualified professional staff, equipped to serve those tribes in a manner the BIA itself has been unable to in the past.

It is a common misconception that the energy tribes are financially well off because they possess energy resources. In reality, reservation Indians continue to be among the poorest of all Americans, and while it may be said that the energy tribes have a better chance than nonenergy tribes for economic survival, it cannot be said at this time that the energy tribes are well off. The annual average per capita income of some of the CERT member tribes run from $537 to $1,619, while unemployment ranges as high as 59 pecent. In regard to the proposed 21-percent cut in the minerals inventory program, we commend the Bureau for finally recognizing a fact that we have been trying to bring home for the past 3 years, which is that the program as it has been administered is not cost effective. We do not believe, however, that it is sound policy for the Department to now simply slash the minerals inventory program without providing a viable substitute, particularly in light of likely new demands for the development of tribal minerals. The Bureau, in justifying its proposed cut, claims that it will examine alternatives to the current minerals inventory and investigations program in order to develop a substitute—at some unspecified date. Once again, in order to make up for its past mistakes the bureaucracy is going to decide for the tribes what the tribes need!

We believe that a viable substitute is available right now without requiring a long-term Bureau study—let the tribes decide what is needed, based on our own individual needs. With the same level of funding for minerals and mining, tribes can accomplish much more than what has been accomplished to date by the Federal bureaucracy. Rather than simply cutting the budget for this program, the funds removed from the inventories program should be rechanneled to directly fund the efforts of the tribes.

The Public Law 93-638 contracting funding for minerals contracting should be enhanced with these funds, along with available funding for tribal projects. What is not needed is a wholesale slashing of the BIA minerals program—what is needed, and needed now, is more effective use of the limited resources available at current funding levels.

We would urge this committee to carefully examine the entire BIA minerals and mining budget, particularly in light of the Bureaus' own acknowledgement of the fact that it has not used the bulk of this budget wisely in the past. We are confident that such an examination will reveal the cost effectiveness of CERT, and of the value of decentralized, tribal decisionmaking.

## STATEMENT OF ERMA MUNDY, EXECUTIVE DIRECTOR, PHOENIX URBAN INDIAN HEALTH BOARD, INC.

Ms. Richardson. The Phoenix Urban Indian Health Board, Erma Mundy.

Ms. Mundy. Thank you. I'm very happy to be here on behalf of the Urban Indian Committee in Phoenix.

My name is Erma Mundy. I'm director of the Phoenix Urban Indian Health Board. I have submitted my testimony which is more detailed. There are just a few highlights that I would like to emphasize regarding our program and the needs of urban Indian health care.

We do have an advocacy program for the Indian people in Phoenix. Also, the people do use the Indian hospital there. However, they are not eligible for all the service provided. The indigent health care in Arizona is difficult to obtain. There's a lot of paperwork involved.

We have a new experimental program going on called ACCESS. There are a lot of difficulties with that. It is very hard for people to get enrolled, so we have a big job there to get services that are not available to them at the Indian hospital.

We also have a community health nursing program that features home nursing care. This is a service not offered by the Indian hospital to the Indian people in Phoenix. It is very cost beneficial.

In my testimony I have submitted a cost-benefit analysis for your review.

Also, these services are provided on a very limited basis by the State. I would like to emphasize that we're providing a service that is not provided elsewhere, and that we're not duplicating any service. The State is not prepared, under these trying times of increased need for indigent health care, to really pick up on the services that we provide.

I would like to ask that our program and the urban health programs be refunded so that Indian people living in urban areas in this country can have continued health care.

Ms. RICHARDSON. What is happening with ACCESS?

Ms. MUNDY. We're having a lot of problems right now. The Governor is giving it his personal attention. About 2 weeks ago the headlines in the local paper read "Red Tape Causing ACCESS Program To Be Called Failure."

I don't think that they are insurmountable problems but we are having a lot of problems getting it off the ground. The providers are having problems getting paid and they're cutting off service because they are not getting any money, which means that the people are not getting the service.

It is causing a problem to us, so we are facing difficult times in Arizona right now. It remains to be seen what does happen. I have some hopes that it will straighten out.

## PREPARED STATEMENT

Ms. RICHARDSON. We all do. Thank you very much. Your statement will be included in the record.

[The statement follows:]

### STATEMENT OF ERMA MUNDY

The Phoenix Urban Indian Health Board lies within the Indian Health Service geographical service area known as the Phoenix service unit. The city of Phoenix is centered in the service unit which also is composed of eight reservations in central Arizona. The Phoenix Urban Indian Health Board was created in 1978 to direct an urban Indian health program funded by Public Law 94–437, title V. The establishment of this board has allowed the urban Indian community the opportunity to provide input into the health care services they receive. Members of the Board of Directors are elected at a public annual community meeting.

The urban board program was designed to improve the continuity of medical treatment and patient care follow-up for the urban consumers of Phoenix Indian Medical

Center (PIMC). The program also serves Phoenix urban Indian residents referred by other health care agencies. Our community health nursing program has been instrumental in reducing the shortage of beds and manpower at PIMC as physicians are able to release patients earlier with follow-up care provided by our nursing staff. Our advocate program serves as liaison between urban Indians and State and county health care providers for services not available to urban Indians through IHS.

Our program of community health nursing and advocacy has met with approval by the doctors at PIMC and by urban consumers of PIMC services. It is cost effective and aids the recovery process by allowing people to return to their own homes and their families with the skilled nursing services of our professional nurses. It helps people sort through what Indian Health Service offers them and assists in getting what the State of Arizona offers them.

## PROBLEM STATEMENT

Indians from 19 reservations in Arizona immigrate to the Phoenix area for employment opportunities. Landing in Phoenix, however, does not mean an Indian person came in the same boat as his white counterpart seeking opportunity.

Members of Arizona tribes speak their native language on their reservations. Many still follow traditional Indian religious beliefs. Tribal members over age 30 probably grew up in a hogan, wickiup or Pima/Papago sandwich house. They have come from an Indian way of life. They bring their Indian perspectives with them. Culture conflicts bring stresses for an Indian settling in the urban area.

An analysis of the health status of the Phoenix metropolitan Indian population indicates that Phoenix Indian people have a high incidence of accidents, maternal and child health problems, endocrine, respiratory, and digestive disorders as well as infirmities associated with behavioral health. Many of these conditions later result in exacerbation of chronic illness and disability and often lengthy and costly hospitalization stays. Ancillary to this are the emotional and financial burdens that are subsequently placed on patients and their families.

The health problems of off-reservation Indians living in the Phoenix area are compounded by recent IHS cutbacks in services to them and by the complexity of obtaining State indigent health care.

Services not provided in the Phoenix Indian Medical Center (PIMC) are contracted to other local hospitals. Indians who live in cities are not eligible for "contract services." The rationale is eligibility for existing urban health services. Indian people have always underutilized local indigent health care. This underutilization is the result of a number of factors. Indians are often unaware of the services available to them, too poor to pay for such services, unable to find transportation, and—perhaps most importantly—suspicious of the health providers attitudes toward Indians. State health departments frequently do not employ Indian personnel, are unaware of the number of Indians in their service area, do not conduct effective outreach efforts to inform Indians of available health services and harbor prejudicial attitudes toward Indians.

Arizona does not have medicaid services. October 1, 1982, the State implemented its new indigent health care program called Arizona health care cost containment system (AHCCS). On February 13, 1983, the Arizona Republic page one headlines read "Red tape forming noose for health plan. Statewide program drawbacks prompt nickname 'Failure system'." Providers have difficulty receiving payments. Patients have difficulty getting enrolled and receiving care.

## HOME HEALTH SERVICES

A home health services system is a well organized network of health and social services working cooperatively with and as an integral part of the overall health social system of a community and includes: (1) licensure and certification by the State of Arizona and by medicare; (2) professional health and social services practitioners to provide a full range of preventive, treatment, and maintenance of services in the home of the patient; and (3) formal administrative and operational linkages among the various providers participating in the system.

Due to increasing costs and the shrinking budget PIMC has cut number of beds available to patients. In fiscal year 1981 average occupied beds were 150.5 per day. In fiscal year 1982 this was 127.5 beds per day, a decrease of 13 beds per day. This means less patients must be served or length of stay in the hospital must be shortened. IHS projects the Indian population to increase 2.4 percent yearly. Yet beds were decreased 15.2 percent in fiscal year 1982 (Monthly workload report, Office of Program Planning, Statistical Branch, Phoenix area office). The average cost for a hospital day in the Phoenix service unit in fiscal year 1981 was $311 per day. The average cost of a service provided by the urban board is $20.41. If hospitalization can be prevented by one nursing service the cost benefit per day is $290.59. Costs cannot be eliminated, but they can be minimized through a better health care system which includes home health care services. Home health care can cut length of hospital stay without sacrificing patient care by offering nursing service in the home.

Private for profit agencies are available to provide home health services in the Phoenix area but are geared toward the paying consumer who is usually protected through insurance coverage or adequate financial status. The profit agencies employ non-Indian staff for the most part, and because Indian patients are not their major service population, do not stress cultural sensitivity. Maricopa County Health Department also administers a home health care program but provides services only to a limited number of Indian people as their major referral health facility, Maricopa Medical Center, serves few Indian patients and their program has a long waiting list. Thus, even though various home health care services are available in the metropolitan Phoenix area, they are not sufficiently accessible to the Indian population.

The lack of a full-scale formalized home health care program to serve the urban Indian patient has resulted in inefficient patient care, that may have led to a deterioration of health conditions. Further, it may have increased the intensity of treatment required. The financial cost of hospitalization is staggering whether it is paid by the consumer or by other means. In the case of the Phoenix Indian Medical Center, the major health care facility for Phoenix Indians, hospitalization costs must be paid out of an inadequate Indian Health Service budget. The decreasing budget combined with a growing patient need for services, renders the facility in a constant financial bind.

The Phoenix Urban Indian Health Board, Inc., provides home health care. We have found this service to be most rewarding to the patient recovery process and in terms of cost benefit. We believe a full-scale home health care program for title V, Public Law 94-437 would show home health care to be a means for Indian Health Service to continue optimum health care at lower cost. A cost-benefit analysis of 10 patients who received home health care services from our program follows. These patients had earlier hospital discharge or were prevented from hospitalization due to our home health care program.

## CONCLUSION

Congress intended to improve the access of off-reservation Indian people to adequate health care services by enacting title V of the Indian Health Care Improvement Act, Public Law 94-437. Thirty-seven Indian health programs are funded under title V of this act. These programs have made substantial gains in meeting urgent health needs of urban Indians, the Phoenix Urban Indian Health Board advocacy and home health nursing services have been successful in meeting some of the critical needs of Indian people living in the Phoenix metropolitan area.

IHS has reported to Congress that the current level of funding for Indian health projects leaves a wide margin of unmet health needs for urban Indians. It is imperative that funding levels not only be maintained but expanded so that urban Indians people do not suffer the injustice of an inferior standard of health. We request your committee to: (1) reenact the Indian Health Care Improvement Act, Public Law 94-437 for another 7-year period, and (2) approve an authorization and appropriation level of funding in the amount of $10 million for fiscal year 1984 and a funding level of $12 million for fiscal years 1985 and 1986.

| Patient | Diagnosis | Case opening and closing dates | No. of services provided | Our cost $20.41 per service | Estimated hospital cost @ $311 per day | Estimated cost benefit |
|---|---|---|---|---|---|---|
| Sixty-four-year-old Paiute male would have required hospitalization had it not been for our home nursing service for daily wound dressing, consistent encouragement to take medications to prevent heart failure. | Fractured left tibia, congestive heart failure; chronic left heel ulcer. | 11–09–81 to 06–04–82 | 59 | $1,204.19 | $64,688 (208 days) | $63,483.81 |
| Twenty-five-year-old Navajo female paraplegic had severe, large bedsores on both hips which required daily dressings and nursing supervision. Because of our daily home visits, infection was prevented in this high-risk patient. Hospitalization was avoided. | Decubitus | 03–23–82 to 09–16–82 | 52 | 1,061.23 | 24,880 (80 days) | 23,818.77 |
| Fifty-six-year-old Yaqui female. Urinary tract infection and subsequent hospitalization was prevented by our nurse teaching the family proper care for an indwelling urinary foley catheter. | Radiation fibrosis of bladder, ureter, and bowel. | 03–25–82 to 05–20–82 | 10 | 204.10 | 2,177 (7 days) | 1,972.90 |
| Twenty-nine-year-old Chemehuevi female with a spica cast extending from each ankle to waist with a window for urination and bowel movements. Nurses taught family to properly turn and care for patient. Our advocate successfully obtained disability benefits for patient. | Gunshot wound to left femur; spica cast. | 01–17–82 to 06–30–82 | 24 | 489.84 | 4,665 (15 days) | 4,175.16 |
| Forty-five-year-old Navajo male. In-home nursing care prevented wound infection by regular wound dressing. | Abscess of left calf | 08–02–82 to 08–30–82 | 9 | 183.69 | 3,110 (10 days) | 2,[illegible]26.31 |

|  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|
| Thirty-four-year-old Papago female, a newly diagnosed diabetic. Insulin dosage and control of diabetes was possible through home monitoring and close communication with the attending physician. An insulin reaction was identified by the nurse and successfully reversed at home—no hospital visit was necessary. | Diabetes mellitis, insulin dependent. | 06–09–82<br>to<br>09–20–82 | 14 | 285.74 | 3,732<br>(12 days) | 3,446.26 |
| Fifty-seven-year-old Yaqui female, newly diagnosed diabetic. Hospitalization was not necessary since insulin injection and diabetic teaching was accompiished through our home health care program. | Diabetes mellitis, insulin dependent. | 06–21–82<br>to<br>07–19–82 | 6 | 122.46 | 2,177<br>(7 days) | 2,054.54 |
| Two-month old-Navajo male, born prematurely and would not breathe at times. Because of home nursing supervision, patient was able to go home on an apnea monitor. | Premature birth, apnea ......... | 04–28–82<br>to<br>06–10–82 | 4 | 81.64 | 2,799<br>(9 days) | 2,717.36 |
| Sixty-six-year-old Osage male. Longstanding diabetes led to heart complications and later, death. He wished to remain at home as long as possible. Premature hospitalization was avoided through our home nursing program. | Myocardial infraction; congestive heart failure; diabetes. | 01–15–82<br>to<br>04–01–82 | 15 | 306.15 | 3,110<br>(10 days) | 2,803.85 |
| Seventy-year-old non-Indian spouse of Navajo. This type of patient is commonly found in nursing home facilities. In this case, nursing supervision and personal care provided by our program maintains the patient at home with the family. | Hip fracture; organic brain syndrome. | 03–03–82<br>ongoing |  39 | 795.99 | 10,076<br>(229 days @ $44 skilled nursing home care rate) | 9,280.01 |
| Total |  |  |  | 4,735.03 | 121,414 |  |
| Total estimated cost benefit (for 10 sample cases) |  |  |  |  |  | 116,678.92 |

## STATEMENT OF AUDREY ST. JOHN ON BEHALF OF THE ST. CROIX TRIBE OF WISCONSIN

Senator BURDICK [presiding]. Audrey St. John, representing the St. Croix of Wisconsin.

Ms. ST. JOHN. Good morning. I would like to thank you for allowing us some time on behalf of the St. Croix Tribe and on behalf of the people.

I will just comment on a few particular issues I'm concerned about. The rest of it is covered in the written statement. It concerns our health services.

There are three areas of concern. One, contract health dollars. There has not been enough over the years to give us what we need in services. Last year we had $30,000 just in hospital care alone, and we were able to handle 8 patients with life-threatening situations out of a population of 1,139 people.

This year we had an increase in that area of up to $36,000. Eight patients have been served. Twenty thousand have been utilized within only 4 months of the contract year, and these are strictly life-threatening situations; they are not elective surgery.

We are looking and asking for an increase in contract health dollars.

The second concern is in the area of alcoholism. At the present we have one part-time alcoholism counselor trainee. That individual has to handle a population of 1,139, as mentioned. We have an alcoholism rate of 73.9 percent. Over the past 5 years there were 29 deaths, 23 from alcohol-related causes.

We are asking for an increase in that area. We were alloted in this past contract year $13,000 for that area.

The third concern is for a set-aside of $475,000. We are asking for a health clinic for the tribe.

We are presently in the main tribal headquarters in three areas. The building is deteriorating. We often see patients in the hallways. We have a staff of 15, and 1 physician-assistant. And our conditions are not compliable with the Privacy Act; it's not compliable for the clients. We feel that after a long study that this would be a feasible way for us to go along with what kind of contracts and health dollars we have been given, and provide the services for the people.

We might add that at the clinic we're looking at third-party revenue not only for the Indian people in the St. Croix Tribe but for the non-Indian people in the area. They also have a problem with accessibility to clinics and at present we are helping the families that come in on an emergency basis, so we're looking at that also.

With that, I would like to thank you for this opportunity to talk.

Are there any questions?

Senator BURDICK. I notice by your statement is that alcoholism seems to be pretty rampant in your area.

Ms. ST. JOHN. Yes, sir, it is.

Senator BURDICK. You say here there's a need for a concentration of more physicians' programs. No solution has been available for the past 5 fiscal years.

What do you mean by that?

Ms. ST. JOHN. The solution for us is one of after care programs. We have the alcoholism counselor trainee. There was lack of funds to train that counselor. He's been going out with his own money just to look for certification to get that training. And the $13,000 only allows us to put him on part-time.

So the solution we can see is more counselors, and some after care programs. The State of Wisconsin provides us help to get people into treatment. The problem is with the after care program, what do they do when they get back?

And with the unemployment rate also 73 percent in St. Croix, that creates a problem, and it's a fact that they don't have anything to do when they come home.

So we're asking for some more money in that area. The Indian Health Service places that as a priority but they don't put the money there.

### PREPARED STATEMENT

Senator BURDICK. Thank you very much. We will place your submitted statement in the record.

[The statement follows:]

### STATEMENT OF THE ST. CROIX TRIBE

On behalf of the St. Croix Tribal Council, and the St. Croix Tribe we would like to thank the Senate Select Committee for this opportunity to present comments and testimony for the St. Croix Tribe of Wisconsin.

The St. Croix Tribal Council presently administers programs with total allocations of $1,445,077 with a population documented as of January 1983 of 1,139 Indian people on or near the St. Croix Reservation area consisting of Barron, Burnett, Douglas, Polk, and Washburn Counties located in the Northwest part of the State of Wisconsin.

In all aspects of Federal funding levels for St. Croix Indian people, the allocations are inadequate and insufficient to promote viable efficient programs. Considering the St. Croix tribal unemployment rate of 73 percent, examining the decreased Federal funding and economic recovery in doubt coupled with initiatives of nondependency on Federal dollars for tribes, the St. Croix Tribe is experiencing bleak days.

Several examples show that cutbacks have seriously eroded the objectives of which programs are originally targeted for.

In our education department the allocation of $28,654 for 275 students was made available to offset parental cost. To include the employment of three part-time employees; one director, one home-school coordinator, and one tutor for students with learning disabilities undermines this allocation in meeting the needs of our students.

In higher education programs for the St. Croix Tribe, only 15 Indian students are participating with an available allocation of $27,237. Unfortunately, the need and demand far exceeds the limited amount of this allocation to adequately reach all our Indian students or make this an effective serviceable program.

In the area of rights protection, the tentatively allocated $8,000 for protection of natural resources on tribal lands is even less viable with the recent *Voight* decision granting the St. Croix Chippewas hunting, fishing, trapping, and gathering rights in ceded lands by the Seventh Circuit Court of Appeals. The need for increased funding is not only exemplified with the recent *Voight* decision, but with emphasis on the close proximity of the St. Croix lands to a large metro area where non-Indians express a total disregard to tribal ordinances.

The total allocation to the St. Croix Tribal Council under the business enterprise development program for fiscal year 1983 is $28,500. With a recently developed tribal enterprise this program has been extremely vital and effective in it's early stages to the

St. Croix in it's early stages to the St. Croix Tribe in combating their high unemployment rate and generating revenue for tribal operations. Increased funding should be made available for this program which is beneficial.

## THE ST. CROIX TRIBE OF WISCONSIN—HEALTH CONCERNS

### I. CONTRACT HEALTH SERVICES

For fiscal year 1981–82 the St. Croix Tribe of Wisconsin was allocated in negotiation from the U.S. Indian Health Service the amount of $76,068.40 for hospital care, physician services, optical care, and prescriptions.

| Distribution | Allocated | |
|---|---|---|
| Hospital care | $30,000 | Eight Indian people utilized the hospital services in consideration only if life-threatening case. |
| Physician services | 27,000 | 200 Indian people utilized physicians. |
| Optical care | 6,068 | 50 Indian people received services. |
| Prescriptions | 13,000 | 250 Indian people received the prescriptions. |

For the fiscal year 1981–82 the St. Croix Tribe placed the contract health services on priority basis with consideration of the elderly, pregnant woman, and children. Many Indian families were not considered for nonlife threatening surgery, doctor visits, or to receive glasses. In consideration, 1,041 Indian people were eligible at one time or the other during this year to participate in this program. The money was not enough to serve some Indian people who needed one or all four of the above services. Even with the recommended Indian Health Service priority service we could not service Indian people. The St. Croix Health Department had to say no to a basic need—health.

For fiscal year 1982–83, current distribution is:

| Distribution | Allocated | |
|---|---|---|
| Hospital care | $38,970 | Expended to date $20,000. Only eight Indian people utilized this care. All were life-threatening situations. |
| Physician services | 38,970 | Expended to date $8,000. Fifty Indian people have seen a doctor. |
| Optical care | 12,878 | Expended to date $3,000. Twenty-five Indian people have been provided this care. |
| Prescriptions | 15,000 | Expended to date $4,500. Seventy-five Indian people have received prescriptions. |

Despite, an increase for this fiscal year, this contract has only expended for 4 months with a current tribal population of 1,139. Hospital care for the number of St. Croix Indian people is already what it was for the full fiscal year of 1981–82.

It is felt that the need for increased dollars is necessary in contract health services or provide a more viable solution for this tribe such as the development of a health facility.

### II. ALCOHOLISM SERVICES

The St. Croix Tribe presently is provided a part-time alcoholism counselor trainer position funded through U.S. Indian Health Service. This is the only alcoholism counselor the tribe has to assist with any of the alcoholism/drug related problems.

Current data over the past 5 years 29 Indian deaths resulted on or near the St. Croix Reservation. Of these—23 were of alcohol/drug related causes of death.

Traffic cases relating to alcohol/drug in just one county for Indian people number 118 just for one county—this included areas of speeding, driving while under the influence and driving after renovation.

There is a need for more concentration of positions and programs in the area of alcoholism and drug abuse. No solutions have been available for the past 5 fiscal years.

### III. HEALTH FACILITY

The St. Croix Tribe is asking of the committee to examine the request for a set-aside for a building to be utilized for a health facility. Careful planning and feasibility studies determine that the amount of $475,000 is needed to develop such a building.

At present, the tribal health department is stretched out among tribal operations in three separate areas of the tribal building. There is no privacy for any of the Indian people to utilize the services of the health department. Inadequate heating and space has caused a great deal of problems in operating the tribal medical and dental clinic. Many families do not like to utilize the clinic area simply because of the location in the tribal building. There is absolutely very little confidentiality when working with the Indian client's health problems. It is felt with the construction of a facility away from the main tribal headquarters will serve as a solution to the space problem and current problems being experienced with a deteriorating tribal headquarters building.

The St. Croix Tribe cannot seem to provide the best health care for Indian people without this facility.

In closing, it is in hope that careful consideration will be accomplished in the problems of inadequate funding for these desperately needed programs—and that a set-aside for a facility will be granted for the St. Croix Tribe.

## STATEMENT OF GREG DuMONTIER, DIRECTOR, TRIBAL HEALTH DEPARTMENT, ST. IGNATIUS, MONT.

ACCOMPANIED BY:

DOROTHY WEBSTER, HEALTH BOARD, CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION

AL EWENKORN, TRIBAL HEALTH BOARD, CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION

Senator **Burdick**. The next witness is Greg DuMontier, representing the Confederated Salish and Kootenai Tribes of the Flathead Reservation.

Mr. **DuMontier**. I would like to thank you, Senator, for the opportunity to present the testimony on behalf of the Confederated Salish and Kootenai Tribes.

I would like to introduce the two people today with me. On my right is Dorothy Webster, who chairs the health board for our tribes.

To my left is Al Ewenkorn, also a representative of our tribal health board.

The written testimony as presented is somewhat sketchy in terms of trying to explain a lot of the complexities of what we're doing as a tribe with our health care delivery system. I understood we would be limited to about three or four pages of written testimony so it is somewhat sketchy. I will try to fill in a little bit of that with my oral testimony.

Basically what we are doing is changing the health care delivery system from the existing Indian Health Service programs, which is contract care. We have no hospitals or physicians on our reservation, Indian hospitals or Indian Health Service physicians. We rely on the community hospital and private practicing physicians for all of our health care. This is paid for by the Indian Health Service through the contract care program.

The problem of course, as with tribes nationwide, is that the contract care program doesn't have sufficient funds to be able to meet the needs. Our problem is compounded by the fact that usually contract care supplements the care provided by Indian Health Service hospitals and physicians.

The criteria accordingly on contract care dollars now is emergency only. Where a tribe such as ours has no direct care facilities, that means the only medical care we are getting in hospitalization is emergency only.

This means that a doctor can diagnose a condition that is going to require hospitalization and the patient will not be hospitalized until the case develops into an emergency situation or it's either life- or limb-threatening. That costs additional dollars, subject the Indian patient to a great deal of trauma, and provides no solutions for either the Federal Government in terms of cost-containment measures, or for the tribe in terms of good quality health care.

We are proposing a fairly radical departure from that system. It is terms in our written testimony the tribal PPO, which is a preferred provider organization. That's kind of a new buzz word I guess for the 1980's, replacing HMO's in the 1970's. But a PPO has never been tried with a tribe within the State of Montana or in fact in any rural area in the United States.

We have the support of the local physicians and hospitals and the tribe for moving forward with this type of an arrangement.

To be very brief with what a PPO is, it is going to provide a higher quality of care for fewer dollars. We believe that this is something that the Federal Government is looking for, and it's the primary reason, of course, that we are going this route, is to increase the existing health care system that the Indian Health Service is providing without increasing the dollars.

The other thing we can do with this arrangement is actually decrease the amount of administrative funds that would be required to operate this type of an arrangement as opposed to the contract care system.

Getting to the problem in our request, I believe we're going to have a difficult time in implementing this system under the existing Indian Health Service structure. Basically, the contract care program which the Indian Health Service operates is administered out of the area office. We cannot contract those physicians out of the area office as a tribe.

We can contract the dollars for health care and come up with our own arrangement, but we have no direct means of support for the administrative functions even though it can be done cheaper than what the Indian Health Service would do.

So our request is to have funding for administrative positions in the area office be earmarked for our service unit level where we would then be able to contract for those administrative unit positions to be able to offer this arrangement for both the Indian Health Service and our tribes.

This is in lieu of competitive bidding, which is what the Indian Health Service is proposing to have implemented around the first of

April this year. Competitive bidding would be a meat-axe approach I guess to some revisions or reforms in the health care delivery system where some very delicate surgery or changes are going to be required.

That's one of the reasons, of course, we have the support of the hospitals and physicians for going for the PPO arrangement in lieu of competitive bidding.

Senator BURDICK. Your timing is excellent. You say you have only contract services available now, that is, for life and death matters, as you say.

Don't you have any paramedicals on the reservation? Nurse service or anything like that?

Mr. DUMONTIER. We have some nursing services, public health nursing, once again, through the Indian Health Service, but as far as medical care, inpatient or outpatient care, we don't have any of that.

Senator BURDICK. Nothing for small injuries or things like that?

Mr. DUMONTIER. Just through the contract care program.

Senator BURDICK. I see. What would you think of having two contract care programs, one where the health service runs the facilities and two, perhaps a larger portion for areas without Indian Health Service hospitals and clinics, to give it more flexibility?

What would you think of a program like that that had two different types of contracts?

Mr. DUMONTIER. Do I understand that you are suggesting that there be a contract care program for tribes which have no Indian Health Service facilities, no Indian Health Service physicians or hospitals, and then a contract care program for those tribes that do?

Senator BURDICK. I'm not recommending it, I'm just suggesting it. What do you think?

Mr. DUMONTIER. If that's what you're suggesting, I think that that needs to be done. The policy which is developed, you know, on a nationwide basis for the Indian Health Service doesn't take into account all the different types of arrangements within each reservation area. Consequently, we end up with a much lower level of health care than any of the other tribes within the Billings area and any of the other tribes which have direct care available to them. We don't get hospitalization for cases which require it unless the life or limb of the patient is in jeopardy.

### PREPARED STATEMENT

Senator BURDICK. We will place your statement in the record. Thank you.

[The statement follows:]

## STATEMENT OF GREG DUMONTIER

On behalf of the Confederated Salish and Kootenai Tribes of the Flathead Reservation in western Montana I wish to convey our gratitiude for the opportunity to discuss with the Committee issues surrounding the FY84 Appropriations for the Indian Health Service. My name is Greg DuMontier and I am the Health Director for our Tribes. My testimony is being submitted with a good deal of enthusiasm in that recent developments within the health care system on our reservation hold great promise for resolving many long standing problems which have been obstructing the delivery of an appropriate level of health services to our people. The primary purpose of this testimony is to inform the Committee of our efforts and to request Congressional action through the FY84 Appropriations process to secure funding for the the establishment of a cooperative approach between our Tribes and the Federal Government throughout the planning and implementation of a new Tribally controlled health care delivery system.

In order to present our concepts and requests in the proper context the following background to our Tribal initiative is provided.

The Tribal Health Department was established in 1977 and charged with the responsibility to provide for a comprehensive health care delivery system for the Confederated Salish and Kootenai Tribes. In pursuit of its mission, the Tribal Health Department has been actively engaged in a series of negotiation and planning sessions with local hospitals and physicians to identify areas of common concern in the existing Indian Health Service Contract Medical Care program which is the sole mechanism employed by the Indian Health Service for the provision of out patient and hospitalization services to our Tribes. In more recent developments, the intent of the Indian Health Service to implement a competitive bidding procedure in an effort to curb increasing medical costs in reservation health facilities has prompted a revitalized effort on the part of the Tribes and health care professionals to establish an alternative cost containment measure which would be more appropriate for the reservation area.

During this past year the Administrative component of the Tribal Health Department has focused the majority of its time and effort in reaching agreements and gaining the support of local physicians and hospitals for the design and implementation of a new type of contractual arrangement. On February 7, 1983 the Tribal Health Board adopted a letter of intent to contract via P.L. 93-638 the Contract Medical Care program from the Indian Health Service and establish a Tribally controlled Preferred Provider Organization (PPO). This action was further supported by the Tribal Council of the Confederated Salish and Kootenai Tribes on February 11, 1983. On February 14, 1983 the letter of intent was signed and forwarded to the Indian Health Service to initiate the first phase of a process designed to place the Tribes in control of the health care being provided to their people.

### A TRIBAL PPO

The need for change in the existing IHS Contract Medical Care program can best be demonstrated by examining briefly the major problems this mechanism creates for the beneficiaries as well the providers of care.

For the beneficiaries the problems created have resulted in a steadily declining level of care that has reached the point where hospitalization benefits are now provided to only those patients whose life or limbs are in jeopardy. This means that health problems will not be taken care of until they progress to an emergency stage which subjects the Indian patient to trauma and requires a more costly remedy. Because this system is reactive instead of proactive, the scope of health care is likely to be further reduced through competitive bidding procedures by limiting access or availability of emergency services and by sacrificing quality care in attempts to reduce patient care expenditures.

From the providers standpoint, the existing IHS system creates severe payment restrictions limiting the treatment parameters which the providers must operate within. The shortage of IHS Contract Care funding is in part a direct function of the contractual mechanism used. Continuing decreases in Medicare and Medicaid reimbursements to reservation health facilities coupled with increased patient utilization under these government programs has resulted in the increased shifting of costs to the Indian Health Service. It is estimated that cost shifting during calendar year 82 cost the IHS Contract Care program within our reservation area approximately 15% of its hospitalization budget. Competitive bidding would provide no relief from cost shifting and would in fact contribute to the problem by increasing the amount of dollars to be shifted. The net result would either be a reduction in services or an increase in costs.

Recent planning sessions cunducted with physicians, hospitals, and Tribal officials have yeilded a consensus on the need to break away from the existing IHS system and establish a new Tribally controlled system which addresses the following purposes:

1. To implement a health care delivery system which incorporates a coordinated team approach structured to address and respond to consumer and provider issues. The team approach proposed includes representation from physicians, hospitals, and Tribal membership. It is important to note that neither the existing IHS system nor the IHS proposed competitive bidding system would provide for this type of cooperative approach to local health issues.

2. To implement a system which subscribes to cost control rather than cost shifting.

3. To implement a system which includes tangible benefits for the consumers (patients), the plan sponsor (Tribe), and the providers (physicians and hospitals). It must be recognized that the Tribe and the providers share an interdependent relationship in that the Tribe relies on the local providers for health care, and the local providers rely on the Tribe for patient revenues to continue existence.

4. To implement a system which provides for local control of health care funding, benefit determination, and health care planning.

In order to fulfill the purposes as previously described it is our Tribal intent to contract the IHS Contract Medical Care program and establish a Tribally controlled Preferred Provider Organization (PPO) as an alternative delivery system.

While it is not the intent of this testimony to get into the mechanics of a PPO, information pertaining to our proposed concept is offered in order to place our requests before this Committee in the proper context.

The PPO approach will require a significant change in the role of the Indian Health Service within our reservation area. The Contract Medical Care program we propose to contract for under the provisions of P.L. 93-638 has a budget of approximately 3.5 million which comprises 80% of the total Service Unit budget. While the provisions of the Indian Self-Determination Act allow for an orderly transfer of health programs from the Indian Health Service to the Tribes, the same cannot be said for the transfer of administrative functions. Most of the administrative functions for the Service Unit are provided by staff and funding in the Billings Area Office. Although we can contract the Contract Medical Care program funding at the Service Unit level, we cannot contract the IHS Contract Care administrative funding because most of it is in the Billings Area office which places it beyond our contractable arena. There are 6 administrative positions including clerical at the Service Unit level. There are 140 administrative positions in the Billings Area Office which administers 8 different Service Units.

Rather than duplicate administrative functions by requesting additional appropriations, it is requested that the Appropriations Committee earmark $200,000 of the Billings Area Administrative budget for our Tribal Health Department for the administration of our Tribal PPO.

Another way of providing an orderly tranfer of administrative functions from the Indian Health Service to the Tribes would be to combine the Tribal Management line item with the Program Management line item of the IHS budget. This would place nearly all administrative functions in one line item making it necessary for Tribes and the Indian Health Service to prioritize and coordinate IHS and Tribal management functions.

Although this PPO arrangement will provide some immediate benefits in terms of the buying power of the dollars currently available, it must be pointed out that we have the largest Indian population within the Billings area and also the largest unmet need. Indian Health Service figures show our population to be 5300 and unmet need computations are based on that figure. However, an actual count of the active patient files shows that services are being provided to 6,846 eligible Indians. Therefore, we respectfully request that the Committee provide an additional $1,000,000 to the Contract Care budget to compensate for the underestimated unmet need based on innacurate IHS population figures.

The PPO approach which we are proposing would be the first such arrangement within the Indian Health Service, the first within rural America, and the first within the State of Montana. We sincerely hope the Committee shares in our enthusiasm for this approach by opposing the competitive bidding procedure while favoring our requests. Thank you for your consideration.

## STATEMENT OF EDWARD T. BEGAY, VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

## ACCOMPANIED BY FRANKLIN R. FREELAND, ASSISTANT DIRECTOR, NAVAJO DIVISION OF EDUCATION

Senator **Burdick.** Next is Mary Helen Cremer representing the Navajo Nation. Are you Mary Helen?

[Laughter.]

Dr. **Freeland.** I'd like to explain. Mary Helen Cremer was scheduled to appear but because of illness, both the vice chairman of the Navajo Tribal Council, Mr. Edward T. Begay and myself, Dr. Franklin Freeland, assistant director of the Navajo Division of Education, are both here to present our testimony. That is why we are not Mary Helen Cremer.

Mr. **Begay.** Thank you, Senator. Dr. Freeland and I appreciate the opportunity to be here to submit a written presentation to your Committee for their review. Due to the time crunch that's upon us I'll try to just summarize some of the concerns we have as the Navajo Nation.

The budget that's being proposed for Indian education for fiscal year 1984 is very much a concern to the Navajo people because we feel that our education system, the funding, we feel it's included in our treaty with the U.S. Government.

Therefore, we feel it's very much the responsibility and the trust responsibility of the U.S. Government, that's why we are very much concerned when the President of the United States submits a budget for us through the Bureau of Indian Affairs which we feel would not meet our needs to carry out the trust responsibility as outlined in our treaty with the Government. Even though the President has suggested that the States and the local governments should take care of our needs, it's not the case in our situation because we are dealing in three States: the State of Utah, Arizona, and New Mexico.

Too, these governments also have budget constraints within their appropriating authorities; therefore, we have to come before you to assist us with the concerns we have here.

Other justifications outlined by the President and the Department of the Interior through the Bureau of Indian Affairs were that if the Alaskan schools and some of the BIA boarding schools are closed, there would be fund savings for the operation. However, since there's an increase in enrollment, this would be very hard to expedite the way they are recommending we should go.

Another area that has been conveyed to us is a reduction in the area of impact aids. Somehow or another the feeling that was expressed was that if they eliminate the impact aid maybe there will be a cost savings to the U.S. Government.

However, it's not too well coordinated in this area because they're trying to pass the buck, so to speak, to other programs. All the other programs are also being reduced; therefore, it's just like a chain reaction, it's just like chasing a rainbow in the sky. If you go to the next budget level, that too is being reduced, so in the end you find out there is no funding that would be sufficient to meet our needs.

Also the administration budget suggests that the supplemental appropriation means unnecessary or extra funds; however, this is not the case, or on our reservations we use all the Federal dollars that are allocated to us in a way that would fit our needs in various categories, Senator, and we feel that we are using it the best we know how.

So the budget cuts are very hard to come by in terms that some of these are not being seriously considered.

Thank you.

Dr. FREELAND. I know, Mr. Chairman, that our time is up. We do have recommendations that have been presented in the testimony to you. We wish that it would receive positive consideration.

We would like to stress the fact that there is a trust responsibility between the Navajo Tribe and the U.S. Government. This is the main focus that we're coming from.

### PREPARED STATEMENT

Senator BURDICK. The entire statement will be a part of the record.

Mr. BEGAY. Thank you very much.

[The statement follows:]

## STATEMENT OF EDWARD T. BEGAY

Members of the subcommittee, we appreciate this opportunity to appear before you to express the concerns of the Navajo Nation about the proposed budget for Indian education for FY '84. Education has been and remains a critical concern of the Navajo people. The right to education for our children was included in the Treaty of 1868. It has always been understood by our people as an essential element of the federal government's trust responsibility. We recognize that good education is essential to our survival and development. Thus, we believe that our future is threatened by continued Administration efforts to cut deeper into the Indian education budget with each new budget recommendation.

### FEDERAL RESPONSIBILITY FOR INDIAN EDUCATION IS DIFFERENT FROM RESPONSIBILITY FOR STATE AND LOCAL EDUCATION

The proposed FY '84 budget and recissions proposed in the FY '83 budget contain large reductions in the federal commitment to many education programs. In narratives justifying these recommendations, the Reagan administration states its desire to return responsibility for education to states, localities and families. The President states that he intends to aid State and local governments in carrying out "their appropriate public responsibilities", but he stresses that:

> "This does not mean that appropriate Federal responsibilities are being abandoned, neglected, or inadequately supported. Instead, ways are being found to streamline Federal activities, to limit it to those areas and responsibilities that are truly Federal in nature; to assure that these appropriate Federal responsibilities are performed in the most cost-effective and efficient manner;... ."

Unfortunately, the budget recommendations for Indian education do not live up to the President's assurances. The budget ignores or fails to take account of the fact that Indian education is a Federal responsibility. It has been a Federal responsibility since the time of our treaties. The Federal responsibility for Indian education is founded upon treaty, upon the trust relationship, upon Federal law, and upon the total impossibility of funding it any other way.

Indian reservation land cannot be taxed by local state school districts. Even if it could, the economic facts of life on Indian reservations make them totally inadequate as a tax base for education. States are not interested in expanding their school systems into the more isolated parts of the Navajo reservation (or any other reservation) where the need is greatest. They are not prepared to increase their levels of support for poor school districts.

The Navajo Tribe and other tribes simply do not have an economic base to support the educational needs of their people. Any misguided attempt to fund Indian education out of tribal revenues would only destroy the possibility of economic development on the reservation by absorbing development moneys without providing the needed revenues for education.

### BASIC SUPPORT LEVELS FOR INDIAN EDUCATION ARE INADEQUATE

The proposed Federal budget for Indian education continues the recent trend of squeezing more and more functions into fewer and fewer dollars. The BIA budget for school operations is down. This is supposed to be because of the transfer of Alaska schools and the closing of off-reservation boarding schools. It is not clear, however, that these closures and transfers will take place. Nor is it clear that the boarding school students will all enter the public school system. BIA student enrollments are up on the Navajo Reservation, despite BIA predictions that enrollment will decline. Despite increased enrollment, our schools have been subjected to a financial squeeze and have suffered an absolute decline in the weighted student unit (WSU) base under the Indian Student Equalization Formula.

Analysis of the funding being sought for BIA school operations and the BIA's recommendations to the Office of Management and Budget suggest that there may actually be a decline this year in the WSU base and the base transportation rate per student mile. This comes at a time when transportation costs have skyrocketed above the limits of the transportation formula, education costs have increased, and ISEF is being asked to absorb additional functions such as school board training, and BIA technical assistance funds are being reduced. This is an unconscionable situation, particularly since BIA student achievement scores already are below national standards, transportation restrictions already limit attendance areas for day schools and limit trips home for boarding students to a couple of round trips per year, and overhead costs increasingly have to be met in part from academic budgets.

It is difficult at this point to analyze the effect of the proposed BIA budget on contract schools, new contract school starts and other education "638" contracts. However, the budget does not appear to address the need to separate school start funds from overhead funds for existing programs. In addition, some budget language suggests that "638" grant funds, important for new starts, may be required to meet the cost of BIA technical assistance. We hope you will look carefully at this part of the budget to assure that it does adequately provide for new starts and existing programs.

One program under BIA School Operations which should be mentioned is the preschool program. This program is scheduled for elimination. It serves only a few preschool projects. However these projects are important ane irreplaceable to the families served. We would encourage you to preserve them.

The Impact Aid budget is not before you. However, Impact Aid should be mentioned to overcome the misconception that public schools can be relied upon to meet the needs of students squeezed out of the BIA system. It is not at all clear that the move to public schools is pronounced in our area. Tentative figures suggest that there may be some movement back into the BIA system by Navajo students. The budget for Impact Aid is not significantly increased and will have additional claims made upon it if the Alaska school transfer occurs. Efforts to gut supplemental programs, particularly the Title IV program, will leave reservation public school districts financially unable to meet the needs of additional students. In both Arizona and New Mexico, the state legislatures are seeking to retreat from their present financial commitment to public schools. Indian students' achievement test scores in these school systems are already unacceptably low. In sum, the public schools simply cannot pick up the slack.

## CURRENT SUPPLEMENTAL PROGRAMS NEED TO BE RETAINED AND ADEQUATELY FUNDED

The administration budget is particularly harsh on supplemental programs. There seems to be some notion that "supplemental" means "unnecessary". This is NOT true. Supplemental programs exist because there are supplemental needs which MUST be met if our children are to receive an adequate education. Our children need financial assistance to participate in vocational, athletic and extracurricular programs. They need programs to encourage parental involvement to overcome the hundred year history of using education to estrange Indian children from their parents. They need bilingual/bicultural programs. They need supplemental programs to improve their achievement levels in basic subjects. Our children NEED supplemental programs to benefit from basic programs.

The Title IV program, targeted for elimination, is a critical program for our Navajo children. Despite the claims of the Administration, it does not duplicate other programs. It has NOT outlived its usefullness. We have checked with schools, parents and educators across the Navajo Nation. They are unanimous in stating that the loss of Title IV will seriously compromise the academic achievement of our children, the developing ties between the Indian community and the schools, and the ability of the children to participate in the life of the school. None of the other supplemental programs with their current or proposed funding levels or program restrictions will be able to compensate for the loss of Title IV. We urge you most strenuously to protect this program from recission, reduction or elimination. This applies to parts A, B, and C of Title IV.

The Johnson O'Malley Program is not scheduled for any significant increase in funds, despite the proposed elimination of Title IV and the proposed transfer of the Alaska schools. On the Navajo Reservation, Johnson O'Malley funds are already stretched to their limits. The program cannot pick up existing Title IV activities. One proposal for the Johnson O'Malley Program particularly affects the Navajo Reservation. This is the proposed elimination of funds for tuition payments for attendance at out-of-state public schools. Most out-of-state tuition payments under the Johnson O'Malley program are paid for students living on the Navajo Reservation. Our reservation covers three states. In some of our outlying areas, it is more reasonable to attend school across a state line than to attend a less convenient school in the same state. The largest number of our students using JOM for out-of-state tuition attend the Sevier school district in Utah. They do very well there. Their achievement scores are very high compared to other schools on or near the reservation. It would be a terrible mistake to deny these students the opportunity to participate in this school's program when the results have been so positive.

This committee does not handle the budgets for Title VII, Chapter I or Chapter II. However, some of the choices you make will be based upon your estimation of the ability of these programs to meet our children's needs. Title VII is scheduled for a partial recission and reduced FY '84 funding. It is already a small program in terms of the numbers of Indian children served. It is an important program, but it cannot replace Title IV, particularly with its current funding and programatic restrictions. Chapter I, even if increased, will not have enough additional funds to cover Title IV functions. Nor do the purposes and limitations of Chapter I allow it the flexibility of Title IV. These programs are important. They critically need additional funds. They cannot be expected to substitute for other supplemental programs.

A STRONGER COMMITMENT TO POSTSECONDARY INDIAN EDUCATION IS NEEDED

The proposed '84 budget continues to make postsecondary and adult education a reduced priority. Reduced funding is sought for higher education student grants. Adult education funding is reduced. SIPI funding is made less secure. Once again no funds are sought to match the 1% set aside for Indian vocational education in the DOE vocational education budget. Funding for tribally controlled community colleges is scheduled for only a minimal increase. No funds are sought for construction and renovation work needed in connection with tribally controlled community colleges despite the real needs at Navajo Community College and other tribally controlled community colleges for renovation. It is hard to square these budget recommendations with the Administration's professed commitment to economic development on Indian reservations. Professionals, skilled workers, people with basic survival skills in reading and math -- these are essential components of any practical plan for economic development. Already almost three quarters of those applying to the Navajo Tribe's scholarship program must be turned away for lack of funds. We hope that you will recognize the priority of postsecondary and adult education and make more adequate provision for funding in these areas .

RECOMMENDATIONS

In testimony of this length, it is difficult to do more than touch upon our major concerns with the Indian education budget. We have prepared a more detailed analysis of the entire budget for Indian education, a copy of which has been left with the subcommittee staff. We do have some specific recommendations which we would like to leave with this subcommittee regarding the budget items upon which you will make recommendations. We hope they will be helpful.

1. Include in the budget some provision for contingency funding so that Administration plans to close off-reservation boarding schools and Alaska BIA schools will not create financial hardships either if they are accomplished or if they do not occur this fiscal year.

2. Make provision within BIA school operations for a significant increase in the Weighted Student Unit base and the transportation cost per student mile base to compensate these programs for the real loss in spending power they have suffered in recent years.

3. Restore funding within school operations for school board training and for preschool programs.

4. Provide for BIA technical assistance to schools without counting on ISEF funds, contract support funds or "638" grant funds to absorb the cost.

6. Continue the operation of the Title IV program without recission of FY '83 funds and with significant increases in FY '84 funds. Consider supplemental Title IV funding for FY '83.

7. Maintain the existing per student rate within the Johnson O'Malley Program. Retain the Johnson O'Malley out-of-state tuition program.

8. Make separate provision for contract support funds, contract start-up funds and contract overhead funds. Be sure that school start funds are included in the budget.

9. Increase funding for Indian scholarships, graduate scholarships and special graduate programs.

10. Make a real financial commitment to Indian vocational education, including funding the match to the 1% set aside in the DOE vocational education budget and putting SIPI on a sound funding basis.

11. Increase funding for adult education and mandate program designs to reach the people most in need of this program.

12. Work with appropriation subcommittees handling other budget items to assure no impairment of Impact Aid, Title VII, Chapter I or Chapter II.

## STATEMENT OF GLORIA J. KELIIAA, EXECUTIVE DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH COUNCIL

ACCOMPANIED BY:

HELEN DANIELS, PRESIDENT, BOARD OF DIRECTORS OF THE COUNCIL

JO ANN FREEMAN, EXECUTIVE DIRECTOR, AMERICAN INDIAN FREE CLINIC

JULIE FREESTONE, DEPUTY DIRECTOR, CALIFORNIA URBAN INDIAN HEALTH COUNCIL

Senator BURDICK. Our next witness is Gloria J. Keliiaa, representing the California Urban Indian Health Council.

Ms. KELIIAA. I am Gloria Kelliaa, executive director of the California Urban Indian Health Council. With me at the table is Helen Daniels, president of the council's board of directors and the executive director of our Urban Indian Health Clinic in Fresno, Calif.

To my right is JoAnn Freeman, who is executive director of the American Indian Free Clinic in Compton, Calif. And seated by our display is Julie Freestone, the council's deputy director.

The California Urban Indian Health Council is a consortium of Indian health clinics located in various cities in the State of California. The consortium's office is charged by them with providing training and technical assistance and advocacy to improve the health status of our people.

We're here today to deliver on a promise that we made to Congress 2 years ago. We told you that we wanted a chance to be accountable. This year we're here to show you what we have done with urban Indian funds that you have given to California.

On chart No. 1, sir, between 1980 and 1982 California's Indian clinic dental visit rate increased. During that same period of time medical visits held steady despite the closing of the Huntington Park Clinic in Los Angeles County and while services were increasing, IHS funding was decreasing, but the clinics were able through efficient management of their resources and through the use of sliding-fee scales and other grants in State funding were able to increase the revenue.

We want to show what else you have done which the clinics have been getting and which your funds have enabled us leverage. We produced six publications for administrators, boards of directors, and staff. Our privately funded fetal alcohol syndrome prevention program has trained 1,400 health professionals and community members and produced this community kit to increase awareness of the risks of drinking during pregnancy.

Our State-funded pregnancy program provides training to increase the effectiveness of outreach workers and their activities reviews prenatal care protocols and reviews mainstream providers of Indian health and the needs of Indian women.

Ongoing training provides sessions in corporate management to community-elected rural and urban boards of directors and staff and is funded partially by the State of California.

Our alcohol training and technical assistance program funded by the

State assists IHS-funded alcohol programs in improving operations. This program has pioneered county linking and county networking and is linking our alcohol programs to a health program.

Other tangible products include the development of a policy and procedure manual for boards of directors and clinic administration, the California maternal and child health plan, which is documentation that has been received well by health professionals and clinic staff and boards throughout the country and in Canada.

It's a definite statement on what the maternal and child health needs of Indian women and our children are. We have developed a model policy and procedure manual for outreach workers and departments: zero base budgeting, a whole section for boards of directors and a publication on corporate governance for our boards.

So what we're here today for, sir, is to ask you or to tell you that we cannot stop our efforts until the health of Indian people is brought to parity to that of the rest of the Nation, and we ask that you maintain our funding level next year and support the reenactment of the Indian Health Care Improvement Act.

### PREPARED STATEMENT

We have not provided you with many statistics because we know that that information has been provided to you and will be provided to you in the American Indian Health Care Association's testimony. We wanted to show you some products.

Senator BURDICK. Good timing.

Ms. KELIIAA. We practiced. [Laughter.]

Senator BURDICK. Thank you very much.

[The statement follows:]

### STATEMENT OF CALIFORNIA URBAN INDIAN HEALTH COUNCIL, INC.

The California Urban Indian Health Council is submitting this testimony both to describe progress made by our clinics and also to outline continuing health needs of our population. The council is a consortium of urban Indian health clinics in California and is charged by them with providing training, technical assistance, and advocacy to improve the health status of Indian people.

We want to deliver on a promise we made to Congress 2 years ago. In previous years' testimony, we said we wanted a chance to be accountable. This year we want to describe what we have done with the urban health funds Congress and the Department of Health and Human Services gave to California.

Between 1980–82, California's Indian clinic dental visit rate increased from 19,763 to 21,087.

During that same period, medical visits held steady at 40,000 despite the closing of the Huntington Park Clinic in Los Angeles County.

While services were increasing, IHS funding decreased from $1,822,165 to $1,552,900, but clinics increased their funding through sliding fees, other grantseeking, and State funding.

We want to describe what else Congress has been buying, what the clinics have been getting and what Federal funds have enabled us to "leverage."

The council produces six publications for administrators, Boards of Directors, community health workers, and health and alcohol providers.

Management memo to administrators has dealt with fundraising, financial, and personnel management.

Legal notes for Boards of Directors has dealt with leasing, hiring and firing, corporate code, conflict of interest, and contract responsibility.

CHW newsletter for community health workers for health promotion has dealt with heart disease, fetal alcohol syndrome, prenatal care, CPR and health education.

Clinician's letter for health providers has dealt with child abuse and neglect, developmental disabilities, appropriateness of care, otitis media, diabetes, and tobacco smoking.

Indian Alcohol Times for all providers of services to Indians. Has dealt with prevention resources, block grants, GSA and alcohol use among youth.

CUIHC newsletter deals with health issues.

A fetal alcohol syndrome awareness program (privately funded) that has trained 1,500 health professionals in rural and urban California and across the country and paid for a community education kit that includes 13 items to increase awareness of the risks of drinking during pregnancy.

Our State-funded healthy pregnancy program provides training to increase the effectiveness of the community health workers' outreach activities in rural and urban areas, reviews prenatal care protocols, and raises the awareness of mainstream providers to Indian women's needs.

Our ongoing training provides sessions in corporate management to community elected rural and urban Boards of Directors and staff. It is funded partially by the State of California and covers these topics: legal and financial responsibilities; personnel and corporate management; planning and budgeting using zero base budgeting principles; and supervisory training.

Our alcohol training and technical assistance program, funded by the State, assists IHS funded alcohol programs in improving operations. The program has pioneered county alcohol networking and is linking alcohol services to Indian health programs.

Our other tangible products include: a model outreach manual; a definitive statement of Indian maternal and child health needs that has been distributed nationwide and in Canada to private and public sector health professionals. The State of California paid for the development of the plan and is funding services to address some of the needs identified by the plan. The March of Dimes and a private foundation paid for marketing the plan; a governing manual for Boards of Directors of nonprofit corporations; a guide for community organizations to do program planning and budgeting (paid for by the State); and a handbook on the role of corporate board members.

The clinic's direct services continue to address those critically needed areas identified repeatedly by private and public agencies. The Department of Health and Human Services, in its own report on the health status of minority and low-income groups said the age adjusted death rate of Indian people in 1971 was 33 percent higher than the total population.

Twelve percent of Indian women in California receive either no or late prenatal care—the highest of any ethnic group in the State. The figure needs to be considered with the information that while the California birth rate for all races between 1970–77 declined 4 percent. The California Indian birth rate increased 18 percent. And in urban areas, the increase was 7.5 times that of rural areas. This is not surprising, since the age group most concentrated in urban areas is the 20–24 age group. In rural areas, it is 5–7 years.

Alcoholism continues to plague our population—with the rate of alcoholism among Indians at five times that of the general population and the mortality rate from alcohol related causes at 22 times higher.

Births to California Indian women under 19 years old increased 66 percent between 1970–77 while the all races rate for the period decreased 11 percent. This is particularly important when you consider that 65 percent of this population moved at least once during the 5-year period 1965–70 making continuity of care a problem.

The national plan for Indian health submitted to Congress in 1980 estimated a dollar amount of unmet health need for 1984 of $27 million—well above the $8.9 million that was available in 1980. That dollar amount of course doesn't consider inflation nor does it include those areas not served by existing programs—areas such as Orange County, Calif. that has an all urban Indian populaton of 14,000, no health programs and no county hospital. The plan's recommended authorization level to continue current services and address unmet needs for 1984 was $100 million.

We cannot stop our efforts until Indian health is brought to parity with that of the rest of the population and so we ask you to maintain our funding level and support reenactment of title V of the Indian Health Care Improvement Act.

## STATEMENT OF NORINE SMITH, EXECUTIVE DIRECTOR, INDIAN HEALTH BOARD OF MINNEAPOLIS, INC.

Senator BURDICK. Our next group will be the Indian Health Board of Minneapolis, Deb Allery.

Ms. SMITH. Thank you for letting me appear before you today. Before I get into my testimony, I would like to thank you and the other committee members for appropriating funds for urban Indian health care.

What I would like to do today is basically outline to you some of the accomplishments that have happened with the funds that you have appropriated for programs like mine.

The Indian Health Care Board of Minneapolis is an all-patient clinic. We provide medical, dental health, and services. The Indian Health Board has been incorporated since 1971, the clinic has been in existence since 1973.

By "the clinic," I mean we have been providing direct health services since 1973. What I would like to show you today in my testimony—I have a lot of data but I'd like to highlight some of the things that have happened within the Minneapolis area as the results of the funding that we have recieved. We have basically helped improve the health status of the American Indian living in Minneapolis. The clinic has served 149 tribes, the cost to you has been $14 per encounter for the services that we have provided.

And for $14 these are some of the things that have happened over the time period: We have had over 150,000 patient encounters. One of the things that has happened, the average life expectancy is improving. In 1950 the average life expectancy was 60 years old, in 1976 we're showing it at 66.4 years.

The infant mortality rate is dropping. In 1970–72 there were 25.8 deaths per 1,000 live births; in 1978 we had 14.6 deaths per 1,000 live births. The other important thing that's happening, the number of low birth-weight infants is dropping. In 1970 we had 9.8 percent; in 1978, 8.2 percent.

One of the big things that we feel that we've really had an impact on is that the majority of our women are receiving prenatal care in their first trimester whereas in 1967 and 1970 we had only 29 percent receiving prenatal care in their first trimester and we feel that this, the Indian Health Board of Minneapolis has had a major impact.

One of the things that I'd like to point out to you is that you've heard a lot of controversy about urban Indian health saying that these programs are duplicative services, these programs aren't working, they're not cost effective.

I hope, if you'll read my testimony, you will see that programs like mine are working in major cities. We are doing a good job and we are having an impact on what is happening to Indian people throughout this country.

I guess I have only one project that can demonstrate the things that have happened. I would also point out that the Minneapolis project has been very accountable. That is one of the reasons I can come up and show you data.

Since the day we started, we've had a data system and have kept track of everything that we have done. If you would like additional information, I would be more than happy to provide it. So I hope in the coming year you will be willing to give us additional money, or at least give us an appropriation, so we don't go out of business.

One of the reasons I feel that this is very necessary is, if we go out of business what would happen is our Indian people would end up going back to where they were 10 years ago. They would start receiving their health services in emergency rooms, and I feel that this would be very costly health care and all the progress that we have made, it would be in vain.

I am also here to present testimony on behalf of the Minneapolis public schools for title IV. This program I feel is also very vital to the Indian community of Minneapolis and the Indian communities across the country.

Again here, one of the things that I would like to point out is that we're starting to improve in the dropout rate within the Minneapolis school system. Prior to title IV funding, 65 percent of the Indian children in Minneapolis were dropping out of school. In 1978 we had 51 percent of the Indian children dropping out of school. Today we have 15.3 percent of the Indian children dropping out of the Minneapolis public school system.

I guess one of the things I'd like to point out to you is that through the dollars that you have appropriated, two programs are working: the urban Indian health programs and the title IV program.

Thank you.

Senator BURDICK. Just one question, more or less out of curiosity. Who is eligible? Who is an Indian when they come to your office?

Ms. SMITH. Who is an Indian when they come to my office. One of the advantages I have in the Minneapolis area is that I employ Indian people from all the tribes within the area, and you do know who the people are, and the people, as they come in, we check off, we find out what tribe they're from, and if they have their BIA card, we will get that information from them.

But on top of that, we do have a backup system where the individuals from the reservations can identify the families and say, yes, they are Indian, and they're from this reservation. This is their family member. A lot of times, they're related to my employees.

Senator BURDICK. What blood quotient do you require?

Ms. SMITH. What blood quotients we have required is we have just been going by what the tribes have required. If the tribe says they're Indian, we'll say they're Indian, too.

Senator BURDICK. In other words, if an Indian comes to your office from North Dakota or the Chippewa area of Minnesota, do you check with their home tribes?

Ms. SMITH. If they're coming from the tribe—if they're just off the reservation, one of the things that usually happens is if the person comes in and says that they are eligible for Indian Health Service funding, the tribe is going to pay for the health services. We provide outpatient health services, but let's say that person had to be hospitalized. We will check with the tribe to see if they are eligible for payment.

But on the other basis, we have been taking their word for being Indian.

Senator BURDICK. Do you check on their financial ability on all those things, too?

Ms. SMITH. Oh, yes. One of the things that we do at the clinic is we do a very detailed registration on the patient as they come into the clinic. We're checking on—No. 1, we're checking where they live. We check on whether or not they're employed, and we're checking on what tribes they are from.

That's how I was able to tell you that I have been serving 147 tribes, because everything at the clinic is computerized, and all that information goes into the computer, and I can have all that data pulled.

One other thing I would like to point out to you is that not all of my funding comes from Indian Health Service. I have moneys that are coming from other resources that I have been able to generate, and so 35 percent of the funding for my program comes from Indian Health Service.

Senator BURDICK. Do you check whether or not they get general welfare funds?

Ms. SMITH. Yes, I do. As a matter of fact, I help patients, if they are eligible, to get on to the medicaid/medicare system, if that's what is needed. The problem that we are faced with within the State of Minnesota is all the requirements are changing, and a lot of people are no longer eligible for those services.

The other problem we're faced with is that a number of doctors within the Minnesota system are starting to refuse patients that are on medical assistance, for the simple reason that the State of Minnesota is paying the doctors at the 1978 level, and they're paying them 50 percent of that fee.

Senator BURDICK. What I am trying to get at is what you prompted, yourself, in your statement. Some people say there's an overlapping here of services between the various programs that apply to all people and this program.

Ms. SMITH. One of the things—and I do have this, and I can submit these letters to the subcommittee—within the city of Minneapolis, the health department has come out with a statement saying that they are in support of programs like mine, because right now with the limited dollars that they have, they are trying to serve the Asian population that has moved in, and there is no way they would be able to pick up the people that I am serving if we received a budget cut.

Hennepin County, because of the financial problem that the State of Minnesota is in right now—our State is in a bankrupt situation—has come out and said that the county hospital that's in support of programs like us, because they could not afford to pick up our patient load. They would end up having to see them in emergency rooms. They do not have additional funds to give us to continue to provide services at our facility.

We have got support letters from the American Medical Association and the dental society also saying that they would support programs like ours, mainly because the patients that I am serving are not the type of patients that they would like to have in their facility, because they are not the type of patients they make money on. They're a loss to them. So they would sooner have me serve them. So I do have this.

I can also get letters from the State of Minnesota, which would not be able to give me additional money. We have not been able to qualify for the block grant money, mainly because we're not a tribe. So that has presented problems to us, too.

### PREPARED STATEMENT

Senator BURDICK. Thank you very much. Your statement will be placed in the record at this point.

[The statement follows:]

### STATEMENT OF NORINE SMITH

I am Norine Smith, executive director of the Indian Health Board of Minneapolis, Inc. It gives me great pleasure to take this opportunity to appear before your committee today. I am here to testify on behalf of the Minneapolis Indian Health Board and the Indian community which we serve.

I request that this committee recommend the continuation of funding of urban Indian health programs funded under title V of the Indian Health Care Improvement Act and that appropriations be such to continue those programs demonstrating their capabilities and effectiveness.

As you are aware, the administration has recommended zero funding for this title, as it did last fiscal year. However, you as Congress saw fit to appropriate funding equivalent to the fiscal year 1982 appropriation level of $8.1 million.

It is totally fitting to thank you on behalf of our Board of Directors and our patients for this past and continual consideration. We appreciate your understanding and responsiveness to the health care needs of urban Indians, in light of this administration's recommendations.

I wish to highlight the accomplishments of the Indian Health Board of Minneapolis, made possible through the appropriations made by Congress since 1972.

Funding for urban Indian health programs began with a contract of $150,000 to the Indian Health Board of Minneapolis in 1972. This contract was to document the unmet health needs of the urban Indian population and simultaneously provide outreach services to access the existing health care systems. A report was submitted to Congress documenting a lower health care status of urban Indians versus the general population in the urban area and Indians residing on reservation.

Since that initial contract, 37 programs have developed to provide access, information, and referral, or direct health care services to an urban Indian population which exceeds 500,000.

Annually, for fiscal year 1982, these programs provided 582,567 health care and related services. The five comprehensive, direct health care programs: Minneapolis, Milwaukee, Seattle, San Francisco, and Compton, represent over 35 percent of these total encounters.

The Indian Health Board of Minneapolis alone provided over 35,000 of these encounters. We represented 8 percent of the total medical encounters, 13 percent of the total dental encounters, and 5 percent of the mental health and allied health encounters for 1982.

According to our 9-year computerized statistical report for January 1983 through December 1982, the Indian Health Board of Minneapolis had over 150,000 patient encounters. Since our dental clinic opended in 1973 and our medical clinic opened in 1974, we have had 88,170 medical encounters and 41,418 dental encounters. These services have been provided to over 17,000 individual patients.

Beyond the actual volume of services provided, we have been able to demonstrate an improvement in the health care status of Indians residing in the Minneapolis urban area.

The average life expectancy is improving: Average life expectancy in 1950: 60 years; in 1976: 66.4 years.

The infant mortality rate is dropping: Infant mortality rate (city of Minneapolis): 1970–72: 25.8/1,000 live births; 1978: 14.6/1,000 live births.

The number of low birth weight infants is dropping: 1970: 9.8 percent; 1978: 8.2 percent.

The level of trimester of care is improving: Prenatal care began in 1st trimester: 1967–70: 29.7 percent; 1981[1]: 44.2 percent.

The general morbidity is improving:

| | Percent | |
|---|---|---|
| | 1974 | 1982 |
| Infectious/parasitic | 2.9 | 4.0 |
| Endocrine/metabolic | 8.5 | 2.0 |
| Respiratory | 8.5 | 3.0 |
| Digestive | 9.0 | 3.0 |
| Genitourinary | 6.9 | 6.0 |
| Skin/subcutaneous | 5.7 | 5.0 |
| Normal physical | 8.9 | 19.0 |
| Nervous disorder | 12.3 | 9.0 |

As evident by data accumulated by the Indian Health Board of Minneapolis, there has been an improvement in the medical health care status of the Indian community in Minneapolis.

Dental care has improved as well. In 1976, 14 percent of our total services were for extractions compared to only 5 percent in 1982. We have also increased our preventive care services from 39 percent in 1976 to 41 percent in 1982. While these changes in the health care status continue to reflect the positive, there are several constants for the population which demonstrated little change;

Fifty-four percent of our population is 24 years of age or younger: 1978: 54 percent; 1982: 54 percent.

Age distribution fluctuated most notably in the 0–4 age category: 1978: 13 percent; 1982: 21 percent.

Over 80 percent of the patient population is Indian: 1978: 83 percent; 1982: 85 percent.

There have been increases in the two major pay source categories: 1978—medicaid: 46 percent; 1982—medicaid: 53 percent; 1978—self-pay: 26 percent; and 1982—self-pay: 39 percent.

The improvements in these statistics reinforce the reason why the continued appropriation for urban Indian health is important. Not only do programs such as ours work, they work well!

We have been able to access dollars beyond the appropriations received from Congress to enhance our capabilities to serve our medically underserved population. Our appropriation from Congress represents approximately 35 percent of our overall budget. The other 65 percent is generated through various funding efforts and patient billing. These dollars are utilized to fund direct programing, new program efforts and capital improvments which include our new professional building, to be completed this spring.

While concentrating on health care indicators, we have also demonstrated the improvement in management systems indicators which impact the delivery of care. In order to continue to provide health care services at a reasonable cost (medical cost per encounter is $23) we rely on accurate financial and statistical data to plan for the future and make day to day decisions.

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[1] IHB statistical report.

These decisions include the planning for the continued provision of health care services to an Indian population, despite the levels of improvement, which is not at parity with the general population. We must collectively address this issue and recommend the following: (1) Congress appropriate the necessary dollars to continue the provision of health care services to urban Indians through title V of the Indian Health Care Improvement Act; and (2) Congress reauthorize legislation to insure the provision of health care services to urban Indians beyond fiscal year 1985.

I would be happy to respond to all of your questions.

Thank you.

## STATEMENT OF CHARLES LOVE, PRESIDENT, AMERICAN INDIAN HEALTH CARE ASSOCIATION, ST. PAUL, MINN.

ACCOMPANIED BY:

JO ANN BARR, ASSISTANT DIRECTOR, MINNEAPOLIS INDIAN HEALTH BOARD

JOANNE KAUFMAN, DIRECTOR, SEATTLE INDIAN HEALTH BOARD

Senator BURDICK. Our next witness would be the American Indian Health Care Association, Charles Love.

Mr. LOVE. Mr. Chairman, my name is Charles Love, president of the American Indian Health Care Association. I want to thank you for this opportunity to be here this morning to present testimony on behalf of urban Indian health issues.

To my left is JoAnn Barr, assistant director of the Minneapolis Indian Health Board. To her left is Joanne Kaufman, the director of the Seattle Indian Health Board. Then I will defer to these program directors for their expert testimony.

We again thank this committee for helping to fund the urban Indian health program last year and to continue to provide moneys to access this documented need. We respectfully submit that this committee authorize and appropriate the amount of $10 million for fiscal year 1984. We are also requesting this committee to support the reenactment of the Indian Health Care Improvement Act, as amended, for another 7-year period. Thank you.

Ms. BARR. Senator, I am, JoAnn Barr from the Indian Health Board of Minneapolis. Norine provided an awful lot of pertinent data in her testimony. I would just like to reemphasize some of the figures that she was able to produce for you in stating that not only the Indian Health Board of Minneapolis but other programs, particularly those programs that are in the direct health care field, have been able to document a decrease in some of the health indicators for Indian people: a decrease in the infant mortality rate, an increase in life expectancy, an increase in the amount of mothers who are receiving care during their first trimester, and receiving these services. But in addition to that, we would like to emphasize the amount of services that have been provided by these programs.

There are 37 programs that are currently funded under title V of the Indian Health Care Improvement Act, and at a funding level that is equivalent to about $8.1 million. According to IHS figures, for 1982, there were 582,567 health encounters. Those are a combination of direct health care encounters and referral encounters and health education encounters that are going on. Of the major programs, those that are providing the direct health care services, they represent over 45 percent of those total encounters.

So I think some members of the committee and some of the other Congressmen and Senators have a misconception of what is going on in the urban Indian health field. We are beyond information and referral stages. We are primary care providers.

In a note on that issue, primary care providers and the cost of that health care, Norine was very explicit in saying that what IHS has invested has been about $14—it comes out to be $14, to provide those health care services. If they were not there, there would be an increase in what that cost would be. Whether the people are on medical assistance or have medicare or some other private insurance—which is probably maybe less than 5 percent of the population that we serve, as urban clinics, who carry any type of health insurance—that cost would go up to over $42 million to provide those outpatient care services that we are currently providing with an $8.1 million budget. We are able to show some successes because of that $8.1 million that is appropriated from the committees. But it is also because the programs in the past were able to tap into some of the dollars that were out there to try to access other types of dollars besides billing patients for health care services.

I think it's been almost a standard figure that since this group of programs began, there was almost a 50–50 match of dollars that were available, but those dollars are shrinking, in addition to that. So even though our successes with reduced amounts of appropriations compared to what we were supposed to be authorized at—which was $28 million, I believe, for fiscal year 1983—and we are receiving $8.1—even if we add another $8 million odd for that 50-percent match, there's still a $12 million shortfall, and if we are truly looking at parity or elevating the health care status of urban Indians, and Indians across the country, to the highest possible level—meaning what the general population's health statistics are—we have quite a ways to go. But I believe that what we have, we have been able to demonstrate how effective the majority of these programs can be. And there have been significant changes—and please, 2 or 3 more minutes for Joanne to talk about some of the problems that are going on in health care.

Senator BURDICK. I'll make you a deal. A minute-and-a-half.

Ms. KAUFMAN. Thank you. I would like to make a few points. The American Indian Policy Review Commission Task Force on Off-Reservation Indians did a study on the relocation program that was initiated by the Bureau of Indian affairs in the 1950's and 1960's. It showed there were approximately 160,000 Indians who were relocated into urban areas through this Federal program.

The problems that were confronting the Indian people when they reached the urban areas were very similar to those they left behind on the reservation: high unemployment, alcoholism, and minimal health services. The Seattle community volunteer efforts pulled together the necessary resources in 1980 through enlisting physicians to provide general acute care to Indian people because there were no other resources during that time. This has grown into the Seattle Indian Health Board.

When we began providing direct medical services, it was in the inception of the program. We have experienced a tremendous growth, and we are currently going beyond the acute care stage in providing health maintenance, chronic care, prenatal care, mental health, alcoholism, dental care, and getting into the areas that you need to get into if in fact you are going to make an impact on the health status of a population, any population.

Over the past 2 years, we have experienced a variety of cuts and threatened cuts, but—not only from the Indian Health Service, but from the Bureau of Community Health Services, the National Health Service Corps, the county health departments have been cut, the other community health centers in the Seattle area have shrunk from five at $4.3 million down to two at only $1 million, for the entire medically indigent population. They have all said that they could not absorb 16,000 of our registered patients with the elimination of the Seattle Indian Health Board. They could not do that.

I think that the urban Indian health program is one of the more cost-effective programs that this Government has invested in, and I would very much urge the full appropriation for fiscal year 1984 and also your support on the reauthorization of the Indian Health Care Improvement Act. The original act said that it was the policy of this Nation to elevate the Indian health status to optimum levels, and we are at that turning point now, where we can begin targeting our services to those things that are really going to impact that health status. And I think we have to continue.

[The statement follows:]

Senator BURDICK. Thank you all.

### STATEMENT OF CHARLES LOVE

Mr. Chairman and committee members, I am Charles Love, president of the American Indian Health Care Association. On behalf of the membership of the AIHCA, I want to express our deep gratitude and appreciation for your action to retain a 1983 fiscal year funding level of $8 million for urban Indian health programs under title V of the Indian Health Care Improvement Act (Public Law 94-437, and amendments under Public Law 96-537). I also want to thank you for the opportunity to appear before this committee to comment on the impact of the proposed fiscal year 1984 budget upon the access to and provision of health services for the urban and rural American Indian populations of this country. These American Indian people are currently served by 37 urban and rural Indian health programs funded under title V of the Indian Health Care Improvement Act.

The Indian Health Service in its report to Congress on the unmet health needs of the urban Indian population, the urban Indian specific health plan, called for a funding level of approximately $28 million annually for fiscal year 1981 through 1984. The authorization and appropriation levels have been as follows:

| | Authorizations to be appropriated (Section 506, Public Law 96–537 | Actual appropriations | Shortfall in resources to meet unmet health needs |
|---|---|---|---|
| Fiscal year: | | | |
| 1981 | $18,750,000 | $8,900,000 | ($9,850,000) |
| 1982 | 21,500,000 | 8,160,000 | (13,340,000) |
| 1983 | 24,725,000 | 8,000,000 | (16,725,000) |
| 1984 | 28,500,000 | .......... | .......... |

This funding level represents a wide gap between documented need and the resources available to provide services to meet the health needs of urban and rural American Indians. In order to fulfill the objectives and obligations set forth in the Indian Health Care Improvement Act, we request that this committee authorize and/or appropriate $10 million for fiscal year 1984. We are also requesting this committee to support the reenactment of the Indian Health Care Improvement Act, as amended, for another 7-year period (1985–91).

According to the 1980 statistics of the U.S. Census Bureau, over 50 percent of the American Indian population now resides in urban communities across the Nation. The committee will recall that it was the Government policy of the 1950's to relocate and terminate Indian tribes that created the impetus for Indian people to move to the urban areas. This trend of migration to urban centers is likely to continue and demonstrates a strong need to provide direct health care services in the urban communities. It should also indicate to the decisionmakers in the U.S. Government that administrative and congressional policies need to be updated and revised to enable the provision of health care services and resources to American Indians in urban areas.

The administration in developing its Indian policy statement fails to recognize or take account of the substantial population of urban Indian people. As a result, the administration's program and budget proposals for the Indian Health Service completely ignore the urban Indian population which constitutes over one-half of the total American Indian population.

The administration is again proposing to eliminate the urban and rural Indian health programs in fiscal year 1984 and has recommended no funding for this period. In the IHS budget justification statement, HHS asserts that "nonreservation Indians will be eligible for services funded with alternative resources, such as block grants to States and other State and local funding for health services." Unlike tribes and tribal organizations, urban and rural Indian organizations are not eligible for direct funding from the Federal Government under the block grant program. Our surveys of the States and discussions with administration officials indicate that there will not be a policy that will specifically recognize and/or address the critical health care needs of the nonreservation Indian population. This will place urban and rural Indian health organizations in direct competition with established health systems. At a time when States and counties themselves are struggling to maintain current levels of services with reduced levels of funding, block grant funds, and other State and local resources will go to support the official established health systems such as State and county health departments and those programs already established as categorical programs.

It is unrealistic to expect that any additional programs such as urban Indian health programs will be financed with "alternative State and local resources." Most importantly, States are loath to accept responsibility for health care that, in their view, is a Federal responsibility. In some instances these metropolitan health systems have refused to admit and/or provide health services to Indian patients. This further compounds the "catch 22" position of nonreservation Indians. If the administration's proposal is allowed to stand, urban and rural American Indians will not be able to turn to either the Federal, State, or local government for the health care they have a right to expect and obtain. The lack of a definitive policy toward nonreservation Indians is a gross ommission on the part of this administration. We look to this committee to comment upon this deficiency and to take definitive action in the form of recommending an adequate appropriation.

Changes in State medicaid/medicare policies via stricter eligibilty criteria, demands for copayment, deductibles that must be met before care is reimbursed, and ceilings on reimbursement (sometime at 3-year-old levels) will severely limit Indian participation in this program. In addition, private providers are refusing to see medicaid recipients because of the ceilings placed on reimbursement. As a result of these changes, some of the larger projects will sustain a 30- to 40-percent increase in revenue from medicaid. The working poor will be the hardest hit as they will no longer be eligible. The urban projects must absorb this cut somehow. The title V dollar assumes added importance to the continuation of health services for the Indian people adversely affected by the change in these policies.

Local and county governments have endorsed and continue to support the urban Indian health centers and have already indicated that they cannot supply the services provided by the urban health centers should they be defunded. They do not want and cannot support an added tax burden for indigent care nor can they absorb the added cost of indigent care. In some local hospitals, over $80,000 per year is being written off for indigent Indian health care. It should be noted that many of the hospitals in metropolitan areas have fully obligated their commitment under the Hill-Burton provisions to provide services to "indigent persons requiring health services." This presents a serious dilemma for urban Indian people who can and will be turned away even if they require emergency services. Since hospital emergency rooms become the source of medical care during nights and weekends, Indian people seeking health services during these times may face tragic implications. It is imperative that the urban Indian health programs remain as a service provider so that American Indian people will have access to health services.

Prior to the enactment of title V of the Indian Health Care Improvement Act and the development of urban Indian health programs, urban Indian people deferred requests for health care to the point where more costly curative treatment measures were necessary rather than seeking out early preventive health care services. The pattern of health care utilization was use of emergency rooms for primary care, hospitalizations for illnesses that could have been prevented or limited, and long distance travel (sometimes up to 200 miles) back to Indian Health Service units for care. Often Indian people were not able to access the existing health care systems due to cultural and economic barriers.

The urban and rural Indian health programs have definitely increased accessibility to health services for urban and rural American Indians. The urban and rural programs have had a significant impact on upgrading the level of health services available to American Indians and achieving real improvements in the health status of the American Indian population, particularly in such areas as maternal and child health, family planning, nutrition, dental, and mental health. Pregnant women now receive prenatal care in the first trimester of pregnancy where they used to present themselves at hospitals at delivery time. This has undoubtedly resulted in the lowering of the infant mortality rate. Unnecessary hospitalizations have been prevented among diabetic patients because of culturally sensitive and intensive education and treatment efforts. Indian children now have a higher than average immunization rate.

Other successes are too numerous to cite here, but it is clear that the urban Indian health programs have made a tremendous contribution to the health and well-being of American Indians in a cost-effective manner. The urban and rural Indian health programs have been successful in leveraging additional dollars for health care from private and other governmental sources. If the IHS title V funding base disappears, the leverage dollars will also disappear. Utilizing current census data (which is known to under count the American Indian population) and the statistics of the SMSA's, the off-reservation Indian population constitutes 51 percent of the 1,418,195 American Indians in the United States. The title V program provided a mere $11 per year per nonreservation Indian for health services in 1983. Even with this meager amount, the urban Indian health programs have assisted the Federal Government in fulfilling its responsbility for providing health and education to American Indians. They are unique in the services that they provide—services which cannot be duplicated by any other health entity.

The fact that longevity for American Indian people falls 10 to 20 years below that of society as a whole is directly attributable to inadequate levels of health care for American Indian people. Since 1981, the allocation of funds for urban and rural Indian health programs has limited the service level to less than 30 percent of the health needs of rural and urban American Indians. However, we have begun to impact the health behavior patterns of rural and urban American Indians away from the illness/treatment pattern, which is so costly in terms of dollars and its debilitating effects on individuals and their families, to a less costly preventive health pattern. We have a long way to go in order to bring the health status of the American Indian people to a level equal with the health status of other American citizens. We cannot afford the costs of an inferior standard of health care for our first Americans. In order to improve the health status of American Indians, we should and must continue to provide resources for health services to rural and urban Indian health programs.

The American Indian Health Care Association requests the committee to authorize an increased spending level for urban and rural Indian health programs and to support the reenactment of title V of the Indian Health Care Improvement Act.

## STATEMENT OF DAVID GIPP, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER

## ACCOMPANIED BY MELVIN WHITE EAGLE, CHAIRMAN OF THE BOARD, UNITED TRIBES EDUCATIONAL TECHNICAL CENTER AND MEMBER, STANDING ROCK SIOUX TRIBAL COUNCIL

Senator BURDICK. Our next witness will be Mr. David Gipp, United Tribe Educational Technical Center.

It's a distinct pleasure for me to welcome Mr. Gipp to the witness table this morning. He is a long and dear friend of mine. I know he will give this committee very valuable information.

Welcome to the committee.

Mr. GIPP. Thank you very much, Senator.

Senator BURDICK. I want to welcome you, too, Melvin. You're on the council again.

Mr. WHITE EAGLE. Yes, sir.

Senator BURDICK. Welcome and congratulations.

Mr. GIPP. Mr. Chairman, Mr. White Eagle will deliver the summary comments that we have on United Tribes. Then I would like to add a few comments in addition, if that would be acceptable.

Senator BURDICK. Fine.

Mr. WHITE EAGLE. Senator Burdick, as you know, United Tribes Educational Technical Center has been originally established in 1969, and has been in continuous operation for nearly 14 years. As the first tribally controlled residential vocational school in the Nation, United Tribes Educational Technical Center is dedicated to the economic, social, and cultural advancement of Indian people. United Tribes Educational Technical Center is accredited by the North Central Association of Colleges and Schools at the certificate granting level.

United Tribes offers students 12 vocational skill areas from which to choose. Enrollment at United Tribes from 1979 to 1982 averaged 270 students, from as many as 39 different tribes in 13 States. The United Tribes Educational Technical Center is the only Indian or tribal technical post-secondary institution specifically designed to meet the needs of the American Indian family. This is evidenced by the waiting list that consistently numbers over 250 each quarter.

Clearly, United Tribes serves Indian people who are either poorly served or not served at all. The United Tribes Educational Technical

Center operates under the auspices of Public Law 92-638. The United Tribes prime contract is negotiated with the Bureau of Indian Affairs via the employment assistance adult vocational training budget activity.

Under this system, the BIA has the authority to reduce and/or eliminate our funding entirely, which makes United Tribes vulnerable at the BIA area office or the Washington, D.C., office. The BIA office, with little or no consultation or ability to plan, since fiscal year 1981, BIA has cut United Tribes some 42 percent.

Senator, because of our vulnerability under the present system, we are requesting that the United Tribes is provided as a separate line item within the Bureau of Indian Affairs budget, however, funds need to be earmarked or provided, as a specific item in the BIA budget. This action would provide for greater institutional stability which is lacking under the present system.

Senator, our request and need for fiscal year 1984 is $2.2 million for all basic and support operations for the United Tribes Educational Technical Center. I want to have Mr. Gipp make some comments at this time.

Mr. Gipp. Senator, we would like to express our appreciation and thanks for the help and the assistance that this committee and yourself have provided United Tribes, especially during these past 2 years. I think the assistance of the Congress has, in fact, insured our survival, and that is really, essentially, what we are expressing here today, because without that assistance, I think that it is quite possible that United Tribes could have been lost under the present circumstances. So, we deeply appreciate that. Likewise, we would appreciate continued assistance. If you need any further substantial data or other information, we would be happy to provide that. We have provided some catalogs which express the program in great detail.

In addition, Mr. Chairman, I would like to point out that we also have other concerns. We are very concerned about the continued life of the Indian Education Act and the appropriations for the title IV programs. We think that those are very critical to the needs of Indian children throughout the United States.

Second, we also support the INMED program which, I believe, will be providing testimony a little later on here, but we think that that is vital to the Indian professionals and the need for Indian doctors throughout the Nation.

Thank you very much.

Senator Burdick. Thank you. Melvin, maybe you can tell me, how are your graduates doing, from the training center? You must have some graduates by this time.

Mr. White Eagle. Oh, yes. I did work for United Tribes from 1975 to 1980 in the placement department, which gives me a good idea of our students that have graduated from there and which we have placed in different areas of this country, and the student's choice, the area that they wanted to go to work. Our retention and placement rate has been between 85 and 90 percent of graduates.

Mr. Gipp. I would say in the 14-year history, it's slightly above 90 percent, about a 92-percent average, over the total of 14 years. I will say it's becoming more difficult, Senator, with times being as they are, and the lack of jobs in the various regions of the country, though.

Senator Burdick. Well, 80 to 90 percent of the people who get jobs is certainly better than we had. Before, we didn't have the opportunity. So, they're taxpayers, not tax-eaters. It's a good thing to get them back on their own feet. I think it's a great program.

Mr. Gipp. Thank you again, Senator.

Mr. White Eagle. Thank you very much.

### PREPARED STATEMENT

Senator Burdick. Thank you. We will insert your statement in the record.

[The statement follows:]

### Statement of United Tribes Educational Technical Center

Mr. Chairman, thank you for the opportunity to submit this testimony for the record regarding the United Tribes Educational Technical Center's prime contract allocation for fiscal year 1984.

### INTRODUCTION AND BACKGROUND

The United Tribes Educational Technical Center (UTETC) is a unique inter-tribal vocational-technical school. Located on a 105-acre campus 3 miles south of Bismark, N. Dak., the institution is a State-chartered nonprofit corporation owned and operated by the five reservations located in whole or part of North Dakota. These reservations include: Three Affiliated Tribes of Fort Berthold, Devils Lake Sioux, Standing Rock Sioux, Turtle Mountain Band of Chippewa, and Sisseton-Wahpeton Sioux of the Lake Traverse Reservation. Control of the center is vested in a 10-member Board of Directors comprised of the tribal chairman and one selected tribal official from each reservation's tribal council.

Originally established in 1969, UTETC has been in continuous operation for nearly 14 years. As the first tribally-controlled residential vocational school in the Nation, UTETC is committed to the economic, social, and cultural advancement of Indian people. It is UTETC philosophy to provide an environment where students and staff can preserve and transmit their knowledge, values, and wisdom to insure the survival of Indian people now and in the future, while increasing individual opportunities to improve the quality of life. The center seeks to initiate and sustain educational and economic programs aimed at the self-sufficiency and realization of self-determination of American Indians.

UTETC is accredited by the North Central Association of Colleges and Schools at the certificate granting level. United Tribes offers students 12 vocational skill areas from which to choose. The annual enrollment at UTETC from 1979 to 1982 averaged 270 students from as many as 39 different tribes and 13 States. A majority of our students have never spent more than 1 year away from the reservations and have histories of chronic unemployment due to severe lack of jobs and educational deficits which are well below the national average. One-third have completed high school and many have other manifestations of difficulty in coping with non-Indian society, generational poverty, and hardship. United Tribes, therefore, has provided an educational and cultural environment designed to fit the needs of a diverse tribal clientele. As such, the center represents the first tangible chance for successful education and employment for most of its students.

The United Tribes Educational Technical Center is the only Indian or tribal technical postsecondary institution specifically designed to meet the needs of the American Indian family. This is evidenced by a waiting list that consistently numbers over 250 each quarter. Clearly, United Tribes serves Indian people who are either poorly served or not served at all.

Accordingly, the United Tribes philosophy is that the Indian family is the key to any success, now and in the future. While the center serves the single student, it continues to emphasize and direct its services to married couples and single parent families. Thus, the center provides training and services relevent to its clientele, including: an elementary school, a dispensary, a child development center, and a nursery. As such, United Tribes exists as an Indian family community with a total population in the vicinity of 300.

The United Tribes Educational Technical Center provides those institutional activities which are fundamental to the delivery of vocational education via the center's philosphy. These include: a core of vocational programs which have been ongoing and updated throughout some 14 years; supplies and equipment for the vocations; adult education for students who wish to enter vocations which require GED's or high school diplomas; a modest offering of cultural and recreational activities that necessarily supplement the programs of any credible educational institutions; counseling and placement services for United Tribes students; and support services such as the cafeteria, housing, maintenance, student campus transportation, administration, and fixed costs.

## PROBLEM

UTETC operates the auspices of Public Law 92–638, the Indian Self-Determination and Education Assistance Act. The United Tribes prime contract is negotiated with the Bureau of Indian Affairs via the employment assistance adult vocational training budget activity. Under this system the BIA has the authority to reduce and/or eliminate our funding internally, which makes UTETC vulnerable at the area BIA or Washington, D.C. BIA offices with little or no consultation or ability to plan. Since fiscal year 1981, BIA has cut UTETC some 42 percent.

## SOLUTION

Mr. Chairman, because of our vulnerability under the present system we are requesting that UTETC is provided as a separate line item within the Bureau of Indian Affairs budget. However, funds need to be earmarked or provided as a specific item in the BIA budget. This action would provide for greater institutional stability which is lacking under the present system. Mr. Chairman, our request and need for fiscal year 1984 is some $2.2 million for all basic and support operations of the United Tribes Educational Technical Center. We can provide additional detailed justification, statistics, and analyses substantiating this request.

Mr. Chairman, this concludes our testimony. If further information is desired in regard to United Tribes, we would be happy to provi‘ the same upon request.

## APPENDICES I

OCTOBER 28, 1982.

MR. DAVID GIPP,
*Executive director, United Tribes Educational Technical Center,*
*3315 South Airport Road, Bismark, N. Dak.*

DEAR MR. GIPP: This letter is formal notification of the action taken concerning United Tribes Educational Technical Center by the executive board of the Commission on Institutions of Higher Education. At its meeting on October 26, 1982, the board voted that the United Tribes Educational Technical Center be granted accredidation at the certificate granting level; that the next comprehensive evaluation be scheduled in 3 years, 1984–85.

The action of the board was based on the materials provided by your institution, the report and recommendation of the visiting team, and the recommendation(s) of the review committee.

On behalf of the commission, I want to thank you and your colleagues once again for your cooperation during the evaluation process. If you have any questions about this action or about commission policies and procedures, please write or call Dr. Steen

D. Crow, assistant director, who is the staff person responsible for continuing to provide assistance to United Tribes Educational Technical Center.

Sincerely yours,

THURSTON E. MANNING,
*Director of the Commission on Institutions of Higher Education, North Central Association of Colleges and Schools.*

Senator BURDICK. Our next group will be the Chippewa Indians, Roger Jourdain. Is he here? Or is somebody on his behalf?

[No response.]

Senator BURDICK. How about Elizabeth Demaray of the INMED program at the University of North Dakota?

## STATEMENT OF ELIZABETH DEMARAY, THE UNIVERSITY OF NORTH DAKOTA/INMED

## ACCOMPANIED BY DONOVAN ARCHAMBAULT, MEMBER, INDIAN ADVISORY BOARD AND HEALTH DIRECTOR, FORT BELKNAP RESERVATION

Ms. DEMARAY. Thank you for allowing us to appear before you. I have with me Donovan Archambault, who is a member of our Indian Advisory Board and the health director of Fort Belknap Reservation. The Indians into medicine program at the University of North Dakota has been successful in producing health professionals, as you will know from the material before you.

We need $250,000 for the program to continue with the IHS portion. This includes summer programs as well as services to tribes and administration of local scholarships. The administration has line itemed the program with a zero amount of money, yet we are cost effective. Our students have the lowest drop-out rate and some of the most difficult curriculum.

They will pay back the tax money that has been expended on them while serving Indian people in a vital area. This is not a giveaway, but an investment, not only of education but also health.

Last year, language was put into law on the appropriation bill that stated the money for Indian health care improvement and scholarship could be extended until September 1983. We need an extension on this time.

There are no new scholarships planned in medicine for next fall. The new scholarships allowed will be for 70 nursing scholarships. We need new scholarships.

However, even an extension on time would help. We are not within the 5-percent parity for health professionals, as the administration claims.

The figures on the great need for Indian health manpower are stated in the written testimony, and I would like you to note that, according to the Association of Medical Colleges, that we are decreasing in the numbers of Indian medical school applicants again.

I would also like to bring to your attention the data, again from the AAMC that states that the overabundance of Indian physicians spoken to in the Jeminak report does not apply to minorities or the rural areas.

Congress stated in 1980 that the scholarships under section 103 would be up to 4 years. The material we submitted notes that IHS complied with this last year, but this year they state there are no regulations to allow this, even though Congress passed it in May 1980 with the reauthorization of 94–457. Please direct IHS to carry out your wishes and get these regulations written.

We have also instituted a private practice option for the recipients of the scholarships that repeats the services pay back to Indian people by giving a low-interest loan of $10,000 and permission to set up private practice in the shortage area.

Is this cost effective? There are no permanent physicians in some IHS hospitals and clinics at the present time, and the turnover of personnel is great. This option will only make things more difficult.

Thank you for your attention in these matters.

Mr. Archambault will take a few minutes.

Mr. ARCHAMBAULT. Thank you, Liz.

Mr. Chairman, I want to reiterate the fact that the INMED program budget has been zeroed out under the administration's fiscal year budget proposal. They have also emphasized that the block grant program that they have installed would possibly pick up in the areas of deficiencies that the administration budget reflects. This is not true.

The INMED program would not qualify under block grant guidelines.

The Fort Belknap Tribe, who is a member of 29 Indian tribes that represent the INMED Board, strongly opposed the zero budget for INMED, and we collectively solicit your support in having the INMED budget restored, with an increase to effectively reflect the cost of living and also will increase the scholarship program.

### PREPARED STATEMENT

The block grant program guidelines eliminate Indian program participation in that tribes cannot participate unless they have already contracted with the States. The reauthorization of Public Law 94–437, the Indian Health Care Improvement Act, is the only realistic approach toward the continuation of the INMED schools, providing Indian health professionals for Indian people, and I believe the testimony that we have submitted has documented the success of the program.

Thank you, sir.

Senator BURDICK. Just one quick question. Are any of your graduates out in the field yet?

Ms. DEMARAY. Yes; we have graduated 29 physicians, 33 total, 2 nurses, 1 dentist, and 1 MPH.

Senator BURDICK. Did they all go to the Indian territory to do their services?

Ms. DEMARAY. All but four have worked, or are working, with Indian people.

Senator BURDICK. Thank you very much.

[The statement follows:]

## STATEMENT OF ELIZABETH YELLOWBIRD DEMARAY

Thank you for this opportunity to appear before you. My Name is Elizabeth Yellowbird Demaray, the assistant director of the Indians into medicine program, (INMED) at the University of North Dakota. I am accompanied by Donovan Archambault, tribal health director of Fort Belknap (Mont.) Reservation and member of the INMED Advisory Board; Dorothy Webster, tribal council and INMED Board member from Flathead (Mont.) Reservation, and other tribal representatives. We are here in behalf of INMED and its tribally appointed advisory board (representing 100,000 Indians from the five States of North Dakota, South Dakota, Nebraska, Montana, and Wyoming) to request continuation of INMED and the health manpower scholarship program as a line item within the Indian Health Service budget for fiscal year 1984. Our request is for $800,000 to include regular program and summer programs support at $250,000 and $550,000 for 62 scholarships. During fiscal year 1982 INMED had 52 students on IHS scholarships; and 25 students receiving alternative sources of funding. These numbers do not reflect summer institute students.

We have maintained the INMED administration and summer program budget at a reduced level of $200,000 for the past 3 fiscal years. During this time the student numbers have increased by one-third and demands for student support services have increased accordingly. Fringe benefits, salary increases, maintenance agreements, and other such costs outside the control of the program have also increased. The items we could control such as travel, consultants, and number of personnel have been adjusted to allow us to remain within the $200,000 limit. Reductions will further curtail needed student services. Additionally, services to tribes would continue to be decreased. Students have also started to incur debts at higher levels as the program is unable to help them with interview travel and some fees that used to be allowable expenses through the INMED budget.

We again request to remain as a separate line item for all sections of title I so that INMED's "total program" concept and a more efficient cost accounting process be maintained. We are also attempting to secure printouts from IHS on all INMED scholarship recipients for additional follow-up and cost control.

INMED has proven that it can produce fully qualified medical school candidates. Twenty-nine physicians have graduated through the sponsorhsip of INMED; 15 have finished residencies and are practicing medicine. All but four of these graduates have worked or are working with Indian people. Two more residents completing their training this summer have signed up with Indian Health Service for physician placement this next fall. Seven more physician graduates are expected for this spring 1983. Thus far, six more students have been admitted to medical school for fall 1983. We presently have 21 in medical school that started at UND and 2 others that received preparation at INMED that were admitted elsewhere. In addition to the primary health care providers, two nurses, one health educator, one dentist, and one master's of public health have completed their degrees through INMED. All five of these graduates are or have worked with Indian health programs. Presently, this brings the total to 33 health professionals who have graduated through this program. According to the IHS scholarship office, one-third of IHS scholarship recipients who graduated in 1982 were INMED students.

The faith and help from Congress each year has enabled the university and 22 reservations represented by INMED to work at solving the continued shortage of Indian health manpower. The continued committment by the UND Medical School to offer five positions annually to entering freshmen students has been instrumental in INMED's success. This shortage will become more acute with the lack of alternate sources of financial aid for all medical students, especially Indian students coming from low income families. Title IV of the Indian Education Act has been helpful to students, particularly those with a larger number of dependents. There is no dependency allowance on the Indian Health Care Improvement Act scholarship. However, this funding source may not be available in the future. The health careers opportunity programs (HCOP) helped finance the recruitment activities of INMED, currently in its second year of a 3-year cycle of program funding.

There has been discussion of "parity" of numbers of health personnel to meet Indian health care needs, and statements that IHS is within 5 percent of achieving parity with other health care providers available for service to the general populations. This is hard to understand at Standing Rock Reservation where over 200 physicians came in and out during the past 2 years. There are no permanent physicians at Cheyenne River in a four doctor station, and only one at Standing Rock in a five doctor station. Fort Berthold has only one physician who is leaving soon with no replacements in sight in this two physician station. A 50-percent shortage of positions in the Aberdeen area, and a 30-percent shortage in the Billings area by July 1, 1983, is anticipated. These positions do not reflect the numbers needed to receive optimum care, only the numbers allocated per service area.

INMED's current graduates are signing up for IHS, but many are going to Oklahoma and Alaska. We are just starting to produce for Aberdeen and Billings. this is partly due to the necessity to break barriors in IHS to allow physicians to return to their own areas and partly due to the need for a "critical mass" of physicians in a place before it becomes easier to recruit to fill vacancies. The problem of training students from this area has been met only with the summer programs that start these students in junior high and high school. We have two third-year medical students in this category who will return to Aberdeen area eventually to practice because that is where their home is. This spring we will graduate the first Indian physical therapist from UND who wishes to remain in South Dakota.

The need for nurses is as acute. The lack of commission corps nurses will cause a serious shortage at the higher levels of training. At the present time an acute health manpower shortage problem still exists in the Aberdeen Indian Health Service area, which is part of the INMED program service area. Eighteen physicians and 27 nursing vacancies are being reported at this time by the area director. The constant physician turnover has placed increased responsibility on the nurses to provide continuity of care.

With cutbacks in contract care moneys, the IHS service units have had to meet an increased demand for services with less personnel and backup. Poverty levels in the reservations in our area are the highest in the Nation. Poverty breeds more sickness and need for health services, yet most help is being reduced not increased. When we attempt long-range goals to provide Indian health manpower, via INMED and the scholarships, short sightedness abounds in the higher levels of the beauracracy as well as retaliation for a job well done. Parity of Indians serving Indians in health takes time. We are slowly improving the numbers but it takes 10 to 12 years to get a person ready to practice medicine.

## STATEMENT OF KAREN CORNELIUS-FENTON, MEMBER, BOARD OF DIRECTORS, MONTANA INDIAN EDUCATION ASSOCIATION

Senator BURDICK. Our next witness is Karen Fenton of Montana.

Ms. FENTON. Good morning, Senator Burdick. Thank you for allowing me to be here.

I am honored to be able to testify before such a committee. I have handed in with my testimony, testimony from Dr. Robert Swan from the Fort Belknap Reservation. He was unable to be here. We would like to have it in the written record.

Senator BURDICK. It will be received.

Ms. FENTON. I am Karen Cornelius-Fenton. I am a member of the Flathead and Oneida Tribes.

I am currently appearing before you today, not as a program director, but as a member of the board of directors for the Montana Indian Education Association.

Our association has a current statewide membership of approximately 400 educators, parents, counselors, teachers, administrators, and I am a member of the 10-member board of directors.

Although we have a number of concerns regarding Indian education, including the vocational education 1 percent set asides, what is happening with the Bureau, I am going to specifically address title IV today because of the many concerns we have and how it will affect and the impact it will have on Montana.

I would like to applaud the Navajo Nation for their fantastic comments that they gave earlier regarding title IV. One could almost reiterate everything they said because I think those are many of our major concerns. I am going to talk today about an area that is not necessarily overlooked, but isn't often emphasized, in the testimony regarding title IV. That is the EPD programs under part B, sections 105 and 422, the graduate training programs and the teacher training programs.

To date in Montana we have three such programs, one graduate program at Montana State University and two teacher training programs, one on the Blackfoot Reservation under the auspices of the Blackfeet Community College and one in Great Falls within an Indian organization but in conjunction with the College of Great Falls.

These three programs are very vital to Montana and other States, but primarily to Montana. In Montana we currently have seven tribally controlled community colleges in various stages of development. Some of them are so far at this point as to have their candidacy status and near accreditation status for accreditation. Two of them are only satellite programs at this point in time, but will be full-fledged community colleges.

These three programs that I have mentioned, the teacher training and the graduate fellowship programs, all are very positive feeder institutions to the tribally controlled community college. For instance, since the inception of the fellowship program in 1976, the fall of 1976, we have graduated innumerable—42, I think, at this particular point, are projecting another 10 within the year—graduates in various areas.

This past year, however, past year and a half, because of the large number of community colleges, the majority of our students are now pursuing the master's and doctoral degrees in the adult and higher education area, which will then qualify them for the types of expertise that they will need to go back to the community colleges in their own communities, to hopefully attain some type of program management there.

We have gained, I think, a great deal of strong commitment from the State of Montana. However, Montana is like any other State, and education funds are very limited within our State legislature.

We have concern from the college administration regarding our particular program. The President has been very vital in our trying to seek any kind of supplemental funding to continue the program as such on the graduate level. He has submitted many letters to our congressional delegation from Montana, and very definitely Dr. Tiets recognizes the importance of education toward the self-determination and educational advancement for the tribes in Montana and has given his commitment in many different ways.

I think one of the things that we feel is very important, that in his Indian policy President Reagan has commented many times throughout, that we need to have economic self-sufficiency. It is our belief that only through education, quality effective education, can we ever gain that economic self-sufficiency, and the loss of title IV, the EPD programs, as well as the many other programs, would be very detrimental to the advancement of education for Indian people, I think, as well as the EPD programs.

In looking at the part A programs, I have a number of recommendations. They are all in my testimony.

Thank you.

Senator **Burdick**. Thank you very much.

[The statement follows:]

## STATEMENT OF KAREN CORNELIUS-FENTON

Mr. Chairman and Members of the Committee. Thank you for the privilege of appearing before you today. My name is Karen Cornelius-Fenton. I am a member of the Board of Directors for the Montana Indian Education Association(MIEA). MIEA currently has a statewide membership of approximately four hundred Indian parents, teachers, counselors, administrators, students and other concerned Indian people; we also have an large associate membership of non-Indian concerned administrators, counselors, teachers. The Board of Directors is an all-Indian Board(10 member) elected by the membership at large. The major objective of the MIEA is the improvement of the status of Indian education, not only within the State of Montana, but nationally as well. I was also recently elected to the Board of Directors for the National Indian Education Association and serve as the organization's second vice-chairman. Today, however, I am representing only MIEA and will address concerns from the State of Montana.

As a parent and educator, I am not only concerned but appalled at the current trend in the education of the American Indian people. If the Reagan Administration has its' way, the future of Indian education is in serious jeopardy. The Administration continues to question the federal role in education and has openly stated that education of American Indians is not a trust responsibility.

MIEA is strongly opposed to the Administration's proposed $16.0 million rescission in the funds appropriated for Title IV for FY 83 and is more adamantly opposed to and concerned with the proposed $1 million "phase-out and termination" budget request for FY84. A major concern to us is that although Congress has not yet given its' approval to the Administration's request for rescission, the Office of Indian Education and the Department of Education are responding as though the rescission was already approved. We in Montana, for example, as well as the seven other states in Region II have already felt the affect of that OIE response. The Title IV Resource and Evaluation Center serving our region recently received word that the federal government was exercising its' option to not renew the contract for that center and forwarded orders to the Center to cease operation by February 25, 1983. The closure of that particular center leaves eight states with numerous Title IV grantees with no Training and Technical Assistance option. Are OIE officials over-reacting in their response to the proposed rescissions and eventual phase-out? Whatever the circumstances, this conduct of business is causing a great deal of frustration, confusion, and uncertainty about the future of Indian education.

When the Higher Education Act of 1972 with the inclusion of the Kennedy Amendment - Title IV, Indian Education - was signed into law on June 23, 1972, we saw the beginning of a new era in the education of Indian people. The progress made in Indian education during the past ten years is phenomenal. However, even though we have achieved a great deal, we still have only "scratched the surface", so to speak. Dr. Robert Swan, also from Montana, in a speech given at the 1982 Montana Indian Education Association conference held last fall, entitled his speech "A Decade of Changes - The Amazing 70's". I think that he choose a very relevant, meaningful title; during the 70's with the passage of the Indian Education Act, we have seen far more progress and achievements in Indian education than ever before in the history of this country.

The 70's truly were a decade of change for the American Indian - not only educationally but culturally, economically, and politically. With this new legislation and additional appropriations, Indian people were finally given the opportunity to plan relevant education programs and to establish priorities that would enhance and/or meet their diverse educational needs. I stress diverse because each of our seven reservations in Montana and the two-hundred plus nationally have distinct, unique, and very diverse needs.

The proposed rescission and phase-out of Title IV programs will have a disastrous affect on the Montana Indian children and adults presently receiving services from the Office of Indian Education; this does not even begin to address the future consequences of those children yet to come.

At the present time, 35 Montana public schools are receiving $1,847,382 of Title IV-A funding to provide supplemental educational services to 10,349 eligible Indian students. In addition, Montana Indian tribes and organizations, as well as institutions of higher education receive a substantial amount of money under Title IV, Parts B and C. On the Fort Belknap Reservation over 150 Indian adults received their GED's from their Title IV Part C program. A number of these graduates went on to college, joined the military service, gained employment and are now contributing to the growth and development of not only their own reservation but the country as a whole. I used the Fort Belknap project as only one example of the many from the State of Montana alone. What the elimination of Title IV will mean nationwide is so alarming as to be frightening; it is indeed, a major crisis.

Montana currently has three programs funded under Part B - sections 1005 and 422- Educational Personnel Development. The Native American Graduate Fellowship Program in Education at Montana State University and the two teacher training programs: one located on the Blackfeet Reservation and administered by the Blackfeet Community College, and the other administered by a Great Falls-based Indian organization in conjunction with the College of Great Falls. These programs are an integral part of the overall scope of education for the Indian people of Montana.

As I stated earlier, Montana has seven reservations serving ten distinct tribal groups. All of the seven reservations now have tribally community colleges or satellite programs of one of the other tribally controlled community colleges, all in varying stages of development. The three programs aforementioned - the Native American Graduate Fellowship Program in Education and the two teacher training programs - play a major role in supplying qualified personnel to those community colleges. In the last two years, the majority of the NAGFPE participants have pursued M.Ed.'s or D.Ed.'s in Adult and Higher Education, thus making the Montana State University program a major feeder institution to those tribal colleges. The majority of the MSU Fellowship graduates are currently working with tribal programs or in school systems located on the reservations in teaching or administrative capacities. Montana, with its large Indian population, is in need of qualified professional Indian educators and the Fellowship program is one of the greatest contributors to the fulfillment of that need. The Fellowship program has not only the support of the Indian community but that of the MSU administration. Dr. William Tietz, President of the institution, in a letter to the Montana Congressional delegation stated the many positive aspects of the program and concluded his letter with the following: "Recognizing that education is an extremely vital aspect for the continued advancement of the American Indian , we urge you to take necessary action to assure adequate funding for this important legislation." He also states at the beginning of his letter what many of us urging: "It is vitally important to the self-determination and educational advancement of Indian people that Title IV, P.L. 92-318 - Indian Education Act- be funded to assure continued, adequate funding for all parts and sub-parts of the Legislation."

The programs and figures cited represent only a portion of the programs which would be eliminated by the current Administration's proposal for the future - or lack of - for Title IV. The loss of Title IV would set Indian education back immeasurably.

For the reasons given, the Montana Indian Education Association Board of Directors on February 14, 1983 at an official meeting called for the very purpose to discuss our concerns and opposition at the recent Administrative proposals, recommended unanimously the following:

1. The Indian Education Act should be funded at no less than the FY81 level for FY84.
2. The U.S. Congress should provide a FY83 supplement for the Indian Education Act equal to the FY 81 level.
3. A 12% annual increase of the proceeding fiscal year appropriation level is needed each year to maintain quality education services for Indian children and adults.
4. Public Law 92-318 should be re-authorized for a minimum of five years.
5. H.R. 11 should be amended to include the extension of all programs under the IEA until 1989.
6. Adult Education service programs should be expanded and adequately funded in the future.
7. Certification form requirements (506 forms) should be less restrictive so that services can be provided to all eligible Indian students.

8. Schools should be allowed to transfer 506 eligibility forms to another school when a student transfers.

9. Part A pupil expenditures should be comparable to Chapter 1 expenditures.

10. The National Advisory Council on Indian Education should be continued and funded commensorable to need. Tribal input should be required in the selection of NACIE members and that all NACIE appointees have a background in Indian education. Furthermore, a minimum of one member of NACIE should be an Indian educator from the State of Montana and that the current NACIE Executive Director should be retained.

11. That the three Educational Personnel Development (EPD) projects currently in existence in the State of Montana be retained to address and meet the educational training needs in the 1980's.

These recommendations are not necessarily in any prioritized order.

In President Reagan's recent Indian Policy Statement, he emphzsized economic self-sufficiency. Yet he proposes to take away our tool to that very goal. Only through effective, quality education can we ever realize economic self-sufficiency.

Thank you very much for allowing me the honor of testifying before this distinguished Committee of the United States Congress

## STATEMENT OF DANIEL S. PRESS, ATTORNEY FOR THE BLACKFEET TRIBE IN MONTANA

Senator BURDICK. Our next witness is Daniel S. Press of the Blackfeet Tribe.

Mr. PRESS. Thank you very much, Mr. Chairman.

Earl Old Person, chairman of the Blackfeet Tribe, was supposed to be here testifying. He was also scheduled to testify before the Senate Select Committee. They are running even further behind than you are. He is hung up there, and he hasn't been able to get down. He sends his apologies.

I am the attorney for the tribe, and I will be sitting in for him. He has the package of testimony, and as soon as he gets free up there we will get it down.

For many years Mr. Old Person has come before this committee and requested money for the Browning Hospital. This year he was looking forward to the opportunity to come back and say thank you. In the fiscal year 1983 budget there is $6.7 million for the Browning Hospital.

The tribe is deeply appreciative of this. It will mean a major improvement in health of the Blackfeet people, and we would like to say thank you to you and the other members of the committee. We are looking forward to a gala groundbreaking sometime this year. We hope you and the members of the committee will be able to come out.

There are two potential obstacles to that groundbreaking, however. The President, in his budget, has indicated he wants to reprogram that money, to move it over to fill in the gaps in the pay raise costs at IHS. We request that the committee reject that reprograming. The Blackfeet have waited for 15 years for this hospital. It has been a long time since new hospitals have been started up, and we think it would be fair and appropriate that the hospital program has to move forward. We think reprograming is inappropriate.

The President's budget also failed to include money for the second phase, which assuming the first phase gets started, means that come next year we will have half a hospital sitting there, and we are requesting $9 million for the second phase construction in the fiscal year 1984 budget.

Two other quick points. The tribe deeply opposes the cuts in title IV and other education programs. Second, it opposes the proposed transfer to the BIA of the Administration of Native Americans.

The proposed transfer has taken place without any consultation with the Indian community. We think, at the very least, it should be put on hold until that consultation has taken place.

A final point. There is a lot of activity in the Congress these days on the President's supplemental accelerated programs, jobs programs. We just ask that the committee assure that a fair share of those jobs will be going to the reservations.

The unemployment rate on the Blackfeet is 74 percent. It is desperately needed. Sometimes the bills get through in a hurry, and Indians get forgotten.

In particular, what we would like to see is a soft jobs program that would allow the tribe to hire staff people to develop economic development programs. Everyone says that the tribes need to become economically self-sufficient. We agree.

There are a lot of proposals that Blackfeet has to attract new industries onto the reservation. The tribe doesn't have staff to go out and staff those proposals, and unless we have people to go out and determine what is viable and figure out the financial arrangements and so on, we will never get economic programs started.

Among other things, we are hoping that out of the jobs will come some positions that the tribe can use to begin achieving economic self-sufficiency.

Thank you. Those are our statements.

## PREPARED STATEMENT

Senator **Burdick**. Thank you. We will include your statement in the record.

[The statement follows:]

### Statement of Earl Old Person

Honorable chairman, and distinguished members of the committee, my name is Earl Old Person, chief and chairman of the Blackfeet Tribe in Montana.

Through me the Blackfeet people would like to extend to you their gratitude and appreciation for the generosity you have shown to our tribe. The appropriation of $6.7 million for first phase funding in fiscal year 1983 for the modernization of the existing health care facility, located on the Blackfeet Reservation in northwestern Montana is greatly appreciated. Your committee has demonstrated the humanitarian way of the American Government along with the commitment of Congress to listen to the needs of the native American.

The planning and design for this project is on schedule with construction to begin in the summer of 1983. However, we have been informed that an employee of the Secretary of Health and Human Services has plans to freeze the fiscal year 1983 appropriation of $6.7 million to absorb over expenditures in the IHS budget. The Blackfeet Tribe is requesting that the committee reject this recision request.

The Blackfeet Tribe is also requesting second phase funding in fiscal year 1984 in the amount of $9.2 million to complete construction costs and the purchase of major equipment, as President Reagan has not included this in his proposed budget.

A breakdown of the project cost estimates is as follows:

| | Fiscal year 1983 | Fiscal year 1984 | Total construction costs |
|---|---|---|---|
| Construction | $6,700,000 | $6,800,000 | |
| Equipment | | 2,400,000 | |
| Total | 6,700,000 | 9,200,000 | $15,900,000 |

Several of the Indian education programs that have been used in the past few years to open the doors for our Indian youth are on the verge of being closed. The Blackfeet Tribe is requesting the committees backing on this essential issue, as education is the key to the survival of the reservation. It is the major factor in developing a strong and effective tribal government. Listed are the education programs that have had the greatest impact on the Blackfeet Tribe's education and development.

(1) Title IV, the Indian Education Act, be funded at the fiscal year 1981 level as minimum; (2) Public Law 81-874, impact aid for super "A" schools on Indian reservations; (3) Bureau of Indian Affairs Indian education programs, such as Johnson-O'Malley, higher education scholarship program, adult education, and adult vocational training; (4) title III of the Higher Education Act with a specific set aside fund for tribally controlled community colleges; (5) vocational education appropriations with a set aside fund for Indian tribes and Indian organizations; and (6) Public Law 95-471, Tribally Controlled Community College Act, to include appropriations allowing for new colleges who qualify without decreasing funding for tribal colleges currently participating in this act.

These programs are of the utmost importance to the educational advancement of native Americans across the United States. Levels of education remain low for all age groups of native Americans. Indian education has just begun to rectify this national disgrace. We request that this important work be continued in the decade of the eighties. Please do all that you can to restore the proper level of funding for these programs so that Indian people can obtain skills and education to participate in the American economic system as contributing Americans.

The Blackfeet Tribe is opposing the transfer of the administration of native Americans to the Bureau of Indian Affairs. This decision was made without consultation from the tribes, therefore, we request the committee to take action to stop this transfer.

## STATEMENT OF VERNELLE LANE, LUMMI INDIAN BUSINESS COUNCIL

Senator BURDICK. Our next witness is Fred Lane of the Lummi Indian Business Council.

Ms. LANE. My name is Vernelle Lane. I am representing the Lummi Tribe. I would like to apologize that there is no written testimony available, but we will be submitting the final written testimony in the future.

I would like to thank you for this opportunity to relate to you this group of testimony on behalf of the tribe. May I remind you I am only relaying this verbal testimony as a representative of our tribe.

Hopefully, any questions may be addressed for the record and answered at the end of this testimony, as well as in the final written testimony.

The Lummi Tribe is geographically located on the west coast of Washington State. Currently, the tribe operates the largest American Indian fishing fleet in the United States.

Also, the Lummi College of Fisheries trains Indian students in the Pacific Northwest in all aspects of fisheries operations. The training includes actual harvesting, processing experience with the Lummi aquaculture project, which raises fish and shellfish to marketable stages.

The Lummi Tribe plans to build a commercial and recreational marina. Engineering studies by the Corps of Engineers are currently near completion. The planned harbor facilities will take advantage of commercial traffic from Alaska and Near East for export/import purposes, with recreational mooring and support facilities to take advantage of the proximity of the San Juan Island recreational boating areas.

The tribe currently needs a major road to lead to the marina for transportation access accommodating the commercial recreational transport.

The Lummi fish hatchery, serving the existing aquaculture project, requires expansion to increase facilities production through modernized processes. In this regard we emphasize the need for appropriations to support management and enhancement of the anadromous fisheries of the Pacific Northwest to counter the multiple factors responsible for the declining fish runs.

The Lummi Tribe, in compliance with the *United States* v. *Washington* ruling, currently patrols 123 miles in the Puget Sound, Seattle, Port Angeles, and the Strait of Juan de Fuca. A patrol boat, estimated at $100,000, is desperately needed to adequately cover the area.

The tribe is also assuming control of the education of their children by assuming an abandoned school facilities adjacent to the reservation.

The Lummi Tribe firmly rejects the budget cuts proposed by this administration for fiscal year 1984 and urges this committee to restore funding to the fiscal year 1982 level across the board, including: (*a*) education, title IV Indian education, and the tribal community colleges appropriations; (*b*) Indian health service to the full level of appropriations and an increased support of the local service unit; and (*c*) BIA.

The Lummi Tribe expects that future budget cuts will be borne by the central and area office bureaucracy. Funding should concentrate at the local agency and travel levels. The Lummi Tribe would prefer that the ANA money remain separate from the BIA.

Since we understand that the Reagan administration plans to proceed in transferring these funds to the BIA, we strongly urge that this funding source remain separate within the BIA structure and maintain its grant-making focus, procedure, and operations.

We request that the current $5 million small tribes economic development initiatives be expanded to $50 million to meet the nationwide demand for this program.

Also, considering the difficulty of attracting private sector resources, we would hope the BIA would consider a more equitable match regarding Federal private contributions.

The planned fisheries technical service unit should be understood as a tribal resource and not a further expansion of the bureaucracy.

Although not a direct concern of this Appropriations Subcommittee, the tribe requests your support for the following: One, continued funding of the Salmon and Steelhead Conservation Enhancement Act at $3 million; two, inclusion of labor intensive employment for tribal employment in the planned jobs bill; three, continued support for the Economic Development Administration.

The tribe supports the concepts in the Tribal Governments Status Tax Act recently signed into law and seeks an extension of legislation beyond its 2-year limitation, a broadening of the taxing powers and revenue-raising measures the tribes may apply, similar to those currently authorized by the State and local units of the government, and recognition of the unique status of tribal governments within the United States.

The tribe also supports the "Buy Indian" provisions included in the fiscal year 1982 defense appropriations bill and seeks inclusions of these provisions in the fiscal year 1983 defense appropriations bill and would seek a strengthening of further enforcement language for these provisions related to the Defense Department's contracting policy.

In closing, the tribes have borne an unfair burden in the past budget cuts.

If this administration and Congress want to support tribal development, then financial support must concentrate at the travel level.

Thank you.

## PREPARED STATEMENTS

Senator BURDICK. Thank you. At this time, by unanimous consent, I ask that the testimony from the Turtle Mountain Chippewa Tribe regarding budget needs for 1984 be included in the record at this point.

Including, of course, the statement by the Turtle Mountain Chippewa Tribe and also a statement by Gerald Mannette, president of the Turtle Mountain Community College.

It will be received without objection.

[The statements follow:]

## STATEMENT OF THE TURTLE MOUNTAIN CHIPPEWA TRIBE

For the next few minutes I am going to discuss with you a very serious problem and hopefully receive your help in securing a very simple solution. The problem is not money, the problem is with an outmoded BIA policy. The Turtle Mountain Tribe has established a very successful Community College. Our college has the obligation of providing direct community service to the Tribe. It is the philosophy of the Turtle Mountain Community College that each individual is entitled to an education. The college prepares our people for employment, for a better salary within their present job, for transfer to a four year college or university, and perhaps most important, the college makes available to the reservation a range of programs that provide liberal and professional education with the opportunity to enrich the lives of every tribal member.

Our students are experiencing unprecedented problems trying to secure financial aid to attend college, primarily, because of a lack of funds in the BIA scholarship program. This year only 49 or 20% of the college enrollment receive scholarship funds. Meanwhile, Tribal unemployment, currently at 64%, continues to tower over the nations highest unemployment figure.

Our people want to attend college, however, with no BIA scholarship funds available, and with no jobs available for untrained individuals, our people are forced to postpone their training aspirations. Under these conditions, they seek General Welfare Assistance for survival.

The General Assistance people, referring to sections of the BIA manual which reportedly states: "the protection of funding integrity" and "not being available for employment," withdraws G.A. support from Indian people when they pursue training for employment at the Tribal College.

This policy is hurting Indian people wanting to pursue training for employment. The hardship is compounded because the BIA Higher Education Scholarship Program does not receive enough funds to award grants to all eligible students. Further, as stated, unemployment is high and those jobs which are available require trained people.

The end result of this policy interpretation is obvious, Indian people are being forced to remain idle and on General Assistance and to drop-out of their training program at the Tribal College, thereby perpetuating the welfare system, and negating economic progress for Tribal people and Tribal Government.

The problem would be solved if the BIA were directed to allow Indian people presently on General Assistance the opportunity to gain training while receiving general assistance welfare. No harm would result from such policy change.

On another matter, since 1976 the Turtle Mountain Tribe has designated the college as a funding priority on the BIA Agency "Band Analysis" budget. We note that for FY 84 the estimated amount for this line code has been reduced to $54,600. In accordance with the BIA's stated committment to continue assistance to the college at the level of funding determined by Tribal priority, we ask that funds be re-directed and restored to the original level requested by the tribe. This amount for FY 84 would be $82,500.

Regarding P.L. 95-471, the Tribally Controlled Community College Assistance Act, the Tribal College has never been funded at a level needed to deliver high quality education to our people. For FY 84 the BIA is projecting the acceptance of three additional colleges, yet the BIA fails to request additional funds. Our Tribal college will receive its final comprehensive evaluation visit from North Central Association of Schools and Colleges in April of 1984. To be successful, the college must have an adequate and stable funding base. The Turtle Mountain Community College needs $4,000 for each of the projected 210 Indian Full-time Equivalents, for a total FY 84 appropriation of $840,000.

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## STATEMENT OF GERALD "CARTY" MONETTE, PRESIDENT, TURTLE MOUNTAIN COMMUNITY COLLEGE, NORTH DAKOTA

Mr. Chairman and distinguished members of the Committee. My name is Gerald Monette, I am President of the Turtle Mountain Community College which serves the Turtle Mountain Band of Chippewa of North Dakota. I thank the members of the Appropriations Sub-Committee for this opportunity to express my concerns regarding the FY '84 Bureau of Indian Affairs budget request for Tribally Controlled Community Colleges. P.L. 95-471 the Tribally Controlled Community College Assistance Act has never been funded at a level needed to deliver quality post secondary education. For FY '84 the BIA is projecting the acceptance of three additional colleges, yet the BIA fails to request additional funds.

Is the BIA concerned about the quality of education being delivered at our school? The record clearly shows that they are not. The perpetual cutbacks proposed year after year by the BIA clearly proves a lack of concern for quality post secondary education at the tribal colleges.

Our college will receive its final comprehensive evaluation visit from North Central Association of Schools and Colleges in April of 1984. To be successful, the college must have an adequate and stable funding base. The Turtle Mountain Community College needs $4,000 for each of the projected 210 Indian Full-time Equivalents, for a total FY'84 appropriation of $840,000.

The Turtle Mountain Tribe has established a very successful Community College. Our college has the obligation of providing direct community service to the Tribe. It is the philosophy of the Turtle Mountain Community College that each individual is entitled to an education. The college prepares our people for employment, for a better salary within their present job, for transfer to a four year college or university, and perhaps most important, the college makes available to the reservation a range of programs that provide liberal and professional education with the opportunity to enrich the lives of every tribal member.

### FUNDING REQUEST

As stated earlier, we are asking that the FY '84 appropriation for Tribal Colleges be locked in at $4,000 per Indian Full Time Equivalent student. This is the amount which has been determined necessary to continue to provide a good quality program. This is also the amount authorized under the enabling legislation.

As a comparison for the 1981-82 school year the state of North Dakota appropriated $3,890 per full time student for State support of two year colleges. For FY '84, the BIA is asking an average of $4,693 per pupil for Haskell Indian Junior College and $11,253 per pupil for the Institute of

American Indian Art (IAIA). Why then is the BIA requesting only $2,149 for Tribal colleges? Comparatively, our request is modest when consideration is given to the unique characteristics of our student body, the isolation factor, and the cost of education plus the cost of maintaining our facilities.

## STUDENT CHARACTERISTICS

As a Tribally Controlled College, Turtle Mountain Community College is obligated to analyze the individual and collective needs of Tribal members. According, we will focus primarily on Indian students; although Turtle Mountain Community College incidentally serves Non-Indian students residing in the community as well.

During the 1981-82 academic year 280 students enrolled at TMCC. One hundred ninety-two (192) were single and of the single population, sixty-five (65) were male, and one hundred twenty-seven (127) were female. Eighty-eight (88) students are married. Approximately 73% of the female students are married.

The age of the students vary. One hundred ninety-eight (198) students are twenty-one (21) and over (sixty-five [65] male and one hundred thirty-four [134] female); while eighty-two (82) students (twenty-four [24] male and fifty-five [55] female) are under the age of twenty-one (21). The average age of the male student is twenty-five (25), and the average age of the female is twenty-seven (27). The overall average age is twenty-six (26).

Our studies show that in our service area more females than males graduate from high school. In our student body, one hundred twenty-two females received their high school diploma as compared to forty-three males. GED Certificates are held by fifty-five females, and twenty-six males.

Figures further show that most of the student body is unemployed. The total figure of unemployed students is one hundred ninety-eight (198); one hundred twenty-three (123) female and seventy-five (75) male. Eighty-two (82) of the students are employed; this figure is comprised of sixty-seven (67) female and fifteen (15) male.

Of those students who are employed, the annual income ranges from under $999, to a high of $15,000 and over. The majority of students (76%) fall within the range of an annual income of $5,000 or less. Only a small percentage of students have an annual income of $5,000 or more.

Present statistics prove that more and more poeple of all ages, are realizing the importance of education. Not only to improve themselves for employment, but also for the feeling of self-worth and accomplishment.

## INSTITUTIONAL INFORMATION

The final amount of this years P.L. 95-471 grant award has not yet been determined. However, last year Turtle Mountain Community College received $559,466. This represented 47% of the total budget for FY '82. Of this amount, 38% was applied toward instruction, 25% toward administration, 19% toward Facility Operation and 18% to other support services.

Since the enactment of P.L. 95-471, Turtle Mountain Community College has realized a continuous increase in the number of students served and a continuous decrease in the Per Indian FTE pro rata factor.

### ENROLLMENT STATISTICS

| | 1979-80 | 1980-81 | 1981-82 | 1982-83 (not yet completed) |
|---|---|---|---|---|
| P.L. 95-471 Funding | $340,618 | $481,444 | $559,466 | |
| P.L. 95-471 Pro-rata | $ 2,956 | $ 2,870 | $ 2,812 | $ 2,812 * |
| No. I PT Students | 51 | 70 | 59 | |
| No. I FT Students | 71 | 131 | 173 | |
| No. Non-I PT | 17 | 29 | 16 | |
| No. Non I FT | 5 | 5 | 6 | |
| No. I FTE | 96.7 | 162.0 | 202.8 | |
| No. Non-I FTE | 10.5 | 15.3 | 10.7 | |
| Credit Hours Generated | 4164 | 7558 | 9477 | |

*FY '83 pro-rata has been locked in at $2,812 by the Appropriations Committee. This chart shows a 100% increase in credit hours generated and Indian Full-time equivalents since FY 80 the first year under P.L. 95-471 - authority.

### FULL TIME/PART TIME INSTRUCTORS

| | FY '80 | FY '81 | FY '82 |
|---|---|---|---|
| No. Full Time Instructors | 3 | 10 | 11 |
| No. Part-Time Instructors | 22 | 25 | 19 |
| No. of Courses Offerred | 92 | 185 | 206 |
| Percent of 95-471 toward Instruction | 37% | 35% | 38% |

The greatest increase in full time instructors occurred at the start of FY '81. The 1980-81 academic year was the first year in which P.L. 95-471 funds were made available for an entire school year. As indicated, a large percentage of P.L. 95-471 funds have always been applied toward instruction.

It appears that the 1981-82 school year was the leveling off period In reality, this is not the case. Our academic program has been stifled because there has been fewer increases in full time staff, nevertheless, they have had to absorb the substantial increases in credit hours being generated by more students taking full time academic loads.

It is professionally dangerous and academically unsound to expect the same amount of instructors, administrators, counselors and other support staff to meet the needs of over 200 FTE's when these same people were already overworked serving 106 FTE.

Although the concern before the Appropriations Committee is money, the real danger we face is no longer limited to insufficient budget appropriations. The real danger lies in our ability to continue to deliver quality education to our people. If the FY '84 budget is accepted as is, then FY 82 may have indeed been the "leveling off" year and the "final year" for which the Turtle Mountain Community College was capable of providing quality post secondary education.

Is the Bureau of Indian Affairs really concerned about the quality of education being delivered at our school? The record shows that they are not. The perpetual cutbacks proposed year after year by the Bureau of Indain Affairs clearly demonstrates a lack of concern for quality post secondary education for quality of instruction, for quality of libraries and for the quality of service to our students in general.

Post-Secondary Education has apparently taken a new direction within the Bureau of Indian Affairs. The present Bureau of Indian Affairs administration places less value on college training. This new philosophy is not consistent with the desires of the Turtle Mountain Chippewa people. History demonstrates that our people have always placed a high "value" on education. A clear example of what the "value" of education is to our people is the fact that less than 20% of Turtle Mountain Community College's eligible Indian students receive any Bureau of Indian Affairs scholarship assistance and that approximately 40% of our students receive no financial assistance for education at all. Despite this obvious handicap, our stu-

*dents continue to pursue the post-secondary educational opportunities offered by Turtle Mountain Community College.*

*As the President for the Turtle Mountain Community College, I am faced with two choices; one choice is to compromise quality education by being silent and by cutting back to a point where the goals and aspirations of the Turtle Mountain Tribe to have an accreditated institution of post-secondary education is no longer possible; my other choice is to make my case known to you.*

*This concludes my statement on P.L. 95-471. I will now share with you two other problems and hopefully receive your help in securing a very simple solution. The problem is not money, the problem is with an outmoded BIA policy.*

*. . . . . Out students are experiencing unprecedented problems trying to secure financial aid to attend college, primarily, because of a lack of funds in the BIA scholarship program. This year only 40 or 20% of the college enrollment receive scholarship funds. Meanwhile, Tribal unemployment, currently at 64%, continues to tower over the nations highese unemployment figure.*

*Our people want to attend college, however, with no BIA scholarship funds available and with no jobs available for untrained individuals, our people are forced to postpone their training aspirations. Under these conditions, they seek General Welfare Assistance for survival.*

*The General Assistance people, referring to sections of the BIA manual which reportedly states: "the protection of funding integrity" and " "not being avilable for employment". withdraws G.A. support from Indian people when they pursue training at the Tribal College.*

*This policy interpretation by the BIA Branch of General Assistance is hurting Indian people wanting to pursue training for employment. The hardship is compounded because the BIA Higher Education Scholarship program does not receive enough funds to award grants to all eligible students. Further, as stated, unemployment is high and those jobs which are available require trained people.*

*The end result of this policy interpretation is obvious, Indian people are being forced to remain idle and on General Assistance and to drop* out of their training program at the Tribal College, thereby perpetuating the welfare system, and negating economic progress for Tribal people and Tribal Government.

The problem would be solved if the BIA were directed to allow Indian people presently on General Assistance the opportunity to gain training while receiving general assistance welfare. No harm would result from such policy change.

. . . . On another matter, since 1976 the Turtle Mountain Tribe has designated the college as a funding priority on the BIA Agency "Band Analysis" budget. We note that for FY 84 the estimated amount for this line code has been reduced to $54,600. In accordance with the BIA's stated committment to continue assistance to the college at the level of funding determined by Tribal priority, we ask that funds be re-directed and restored to the original level requested by the tribe. This amount for FY 84 would be $82,500.

| College | Estimate FY 1983 Student FTE | Estimate FY 1983 Grant | Estimate FY 1984 Student FTE | Estimate FY 1984 Grant | Increase (+) or Decrease (-) FTE | Increase (+) or Decrease (-) Grant |
|---|---|---|---|---|---|---|
| Standing Rock | 150 | $ 371,323 | 195 | $ 419,085 | +45 | +47,762 |
| Blackfeet | 245 | 606,495 | 300 | 644,746 | +55 | +38,251 |
| Sinte Gleska | 200 | 495,098 | 240 | 515,797 | +40 | +20,699 |
| Turtle Mountain | 210 | 519,852 | 250 | 537,288 | +40 | +17,436 |
| Salish Kootenai | 160 | 396,078 | 180 | 386,847 | +20 | -9,231 |
| Ganado | 100 | 247,549 | 115 | 247,152 | +15 | -397 |
| Little Hoop | 40 | 99,020 | 45 | 96,712 | +5 | -2,308 |
| Sisseton-Wahpeton | 100 | 247,549 | 118 | 253,600 | +18 | +6,051 |
| D-Q University | 140 | 346,568 | 140 | 300,881 | — | -45,687 |
| Fort Berthold | 55 | 136,152 | 65 | 139,695 | +10 | +3,543 |
| Dull Knife | 145 | 358,946 | 160 | 343,864 | +15 | -15,082 |
| Oglala Sioux | 350 | 866,421 | 350 | 752,203 | — | -114,218 |
| Nebraska | 165 | 408,456 | 200 | 429,830 | +35 | +21,374 |
| Lummi | 60 | 148,529 | 60 | 128,949 | --- | -19,580 |
| Little Big Horn | 50 | 123,774 | 60 | 128,949 | +10 | +5,175 |
| Fort Peck | 65 | 160,907 | 84 | 180,529 | +19 | +19,622 |
| Cheyenne River | 70 | 173,283 | 93 | 199,873 | +23 | +26,590 |
| ✓Lac Courte Oreilles 3/ | --- | --- | --- | --- | --- | --- |
| ✓Colville Confederated Tribes 3/ | --- | --- | --- | --- | --- | --- |
| ✓All Pueblo Indian Council 3/ | — | — | — | — | — | — |
| Ft. Hall | | | | | | |
| Subtotal-Title I | 2,305 1/ | $5,706,000 1/ | 2,655 | $5,706,000 | +350 | --- |
| | | | | 2655 / 5,706,000 = 2174 | Per. IFTE | |
| Technical Assistance and Feasibility Studies | | 117,800 | | 118,300 | | +500 |
| Navajo Community College-Title II | 900 | 3,840,000 | 1,134 | 3,840,000 | +234 | --- |
| Subtotal-Title I and Title II | | $9,663,800 | | $9,664,300 | | +500 |

| College | Estimate FY 1983 |  | Estimate FY 1984 |  | Increase (+) or Decrease (-) |  |
|---|---|---|---|---|---|---|
|  | Student FTE | Grant | Student FTE | Grant | FTE | Grant |
| Dull Knife 2/ |  | 407,700 |  | 366,900 |  | -40,800 |
| Oglala Sioux 2/ |  | 306,900 |  | 276,200 |  | -30,700 |
| Turtle Mountain 2/ |  | 60,600 |  | 54,600 |  | -6,000 |
| Subtotal Snyder Act |  | $ 775,200 |  | $ 697,700 |  | -$77,500 |
| Total Estimate | 3,205 | $10,439,000 | 3,789 | $10,362,000 | +584 | -$77,000 |

1/ Amount of funding and number of FTE associated with the operation of 17 TCCC's is based on revised data since the submission of the President's Budget.

2/ Supplemental funds under Snyder Act in addition to funds made available under Title I.

3/ These tribes are expected to request feasibility studies in FY 1983 to be eligible for funding in FY 1984.

## SUBCOMMITTEE RECESS

Senator BURDICK. The subcommittee will stand in recess until Tuesday, March 1, at 2 p.m., at which time we will review the budget estimates for the Bureau of Mines and the National Gallery of Art.

[Whereupon, at 12:15 p.m., Friday, February 25, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 1.]

# Material Submitted Subsequent to the Hearing

[The following material was submitted subsequent to the hearing and will be included in the record at this point.]

## Statement of the Washington Native American Education Consortium

We, the Western Washington Native American Education Consortium an organization that serves to improve local, State and National policies affecting Native American education would like to express our concerns about the reauthorization, reorganization, the immediate budget cuts and the future of Indian Education. We believe any policy of Indian Affairs adopted by the President of the United States should reflect clearly the Indian Affairs policy of the U.S. Congress. Indian education is a trust obligation of the federal government.

In regards to reorganization and reauthorization we believe that a transfer from Title IV to the Bureau of Indian Affairs (BIA) would eliminate the services to the majority of students now receiving Title IV funds. These students would not be able to meet the current criteria of eligibility for BIA funds nor do they live on or near a reservation. Who will carry the responsibility of meeting these students educational needs? Although services from other federally funded programs such as Johnson O'Malley, Title VII and chapter 2 are identified as possible service agencies the funding level has not been increased to accommodate a new population nor has a mechanism been developed to handle this change. In Western Washington only 2.3% of Indian students served by Title IV Part A are in tribal schools. The remainder are in public school systems. The total numbers served in the 62 Title IV, Part A projects of Western Washington is 13,844 students.

We support Congresses recommendation of $67,247.000 and oppose President Reagen's budget recommendation, "These programs will be phased out in 1983 through a rescission ($51,119,000), terminated in 1984." We advocate the reauthorization of Title IV funds at it's original funding level of $82 million.

Also, we are concerned over the appointments to the National Advisory Council on Indian Education. We request the immediate appointments of recognized Indian Educators to the remaining seven positions. Since President Reagan recognizes government-to-government relationships between the United States and Indian Nations we suggest he elicit tribal recommendations for those remaining positions.

We oppose the state equalization of Impact Aid Funds. If fully enacted, it would cause school districts to lose the Impact funding they now receive because of their location on Indian reservation lands.

We are also opposed to the recent decision by the Publication and Audio Visual Advisory Council to terminate the Technical Assistance Centers newsletters which contain pertinent information for our programs. We believe this is a direct move to prevent Indian Education programs from receiving the technical assistance needed to manage our programs and the opportunity to share successful project practices.

The President claims that he is supportive of tribal governments which are self-determining. Self-determination is achieved only through well educated and well trained people, which is reflected through Indian education.

Parent involvement is also another positive influence of Title IV programs. Without the community and parents participating with school districts and tribal organizations, Indian education programs would not have the success rates which have been achieved. Parent and student involvement have been a very determining factor of our programs.

In the past few years, we see growth in Indian Education Programs. It can be measured by the levels of achievement in leadership, positive self-awareness, and academic realization of our students. We see only continued growth for our community with the leadership of our youth, as they continue to develop in programs like Title IV.

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## STATEMENT OF PHILLIP MARTIN, CHIEF, MISSISSIPPI BAND OF CHOCTAW INDIANS

My name is Phillip Martin, and I am the elected Chief of the Mississippi Band of Choctaw Indians, as well as current President of the National Tribal Chairmen's Association. I have been coming to budget hearings for a number of years now, and I am concerned once again this year by the current Administration's apparent lack of understanding of the nature of Indian programs as reflected in the proposed budget. Indian programs are still being treated as social programs, which they are not. They are, in fact, the expression of one of the enumerated powers of the federal government contained in Article I, section 8, of the Constitution, and derive in part from the surrender of vast amounts of land by preexisting sovereign governments pushed into a dependant status by superior force of arms.

This dependant status has given rise to poverty-level living conditions on most all of the Indian reservations, which may be why the Indian programs are perceived as "social." (Some, I might add, apparently perceive them as "socialist.") Statistically, over years of studies and censuses, the Indian people face the worst living conditions of any subgroup within the United States. We have the highest unemployment and mortality rates, the largest percentage of substandard housing units, the lowest educational attainment levels, the least developed economies. Yet the reason for the existance of Indian programs, most especially those in Interior and HHS, is not the need of the Indians, but the obligations of the federal government to the Indian governments.

The current Administration has exhibited a certain reluctance to acknowledge the level of need. I have a management consulting firm in Philadelphia, Mississippi, which, through a grant from the U.S. Office of Education, carried out a random sample survey of Indian adults throughout the country to establish the extent of the problems of illiteracy and lack of high school completion. I am attaching to this testimony a copy of a summary article on the report of this survey by the report's authors, which contains some shocking statistics on the extent of educational need in Indian Country, and which provides, I believe, sufficient rebuttal to the Administration's proposals to reduce the level of effort in adult education. But perhaps the most important concern I have with the full report itself is that it has never been published or disseminated. It contains information which could be useful to tribes nation-wide, to the Bureau of Indian Affairs, the Indian Health Service, the Department of Labor, the Office of Indian Education Programs, and many other groups and agencies. The only conclusion I can draw is that the Administration simply does not want the extent of need to be revealed.

The President's budget contains five major proposals which would have very negative consequences in Indian Country and all of which involve terminating or dismantling Indian programs. Once again the President is requesting the termination of the Community Health Representative and Sanitation Facilities Construction programs in the Indian Health Service. This year, he has added the obliteration of the Indian Education Act, the dismantling of the Administration for Native Americans, and the termination of BIA preschool education programs. Major cutbacks are also proposed for

BIA continuing education activities, Indian Health Manpower scholarships, and BIA School Operations.

Although this Committee does not have oversight authority on the Administration for Native Americans budget, the Administration's proposal to move ANA grants to federally-recognized tribes to BIA in April of this year will affect the operations of the Bureau and thus its budget. At this point, the Bureau is not ready to assume the responsibility for administering programs transferred from other agencies, or new programs such as the proposed Indian Housing Act, and no planning has been done within the Bureau in this regard. I and the President of the National Congress of American Indians have been meeting with the Assistant Secretary on our concerns not only in the area of planning, but also with regard to establishment of a tribal consultation mechanism and an effort to reorganize the Bureau and streamline its administration so that it might more efficiently administer its ongoing programs and be able to handle new ones. We are, however, only in the early stages of this process, which was begun after Secretary Watt's recent comments and the release of the President's Indian Policy Statement.

CHR

Although I agree very much with the opinion that more accountability is necessary in the carrying out of preventive health activities in the Comminity Health Representatives program, the lack of IHS monitoring of the program's operations does not affect the great need which we have for this program. It is a fact that the Indian mortality rate did not really begin a rapid decline until these preventive activities were initiated; and that a concentration on "patient care activities" only, desired by the Administration, could result in renewed growth in the mortality figures.

On the Mississippi Choctaw Reservation, six CHR positions are being utilized in the Emergency Medical Services program. They provide 24 hours of ambulance coverage to the 4,500 Choctaw people in the ten reservation counties in east central Mississippi. The program has an average of 380 runs per year, and when the EMT's are not on a run they work in the hospital as Medical Assistants with the Nursing Department. The ambulance drivers, beside their regular duty, provide patient transportation and security services for the hospital.

Realizing the importance of EMS activities, the Congress added funds specifically for this program in fiscal 1983. The Administration has deleted these funds from its proposed budget.

Since 1964, acute Otitis Media has ranked as the leading disease among Indians and Alaska Natives. In 1978, a total of 68,775 new cases were reported, a level 56 per cent higher than the 1970 level. On the Choctaw Reservation, the CHR Otitis Media Technician is the only person "looking out for" ear care and middle ear infections. The general practitioners of the Medical Staff are not able to handle the many cases; and an outside Ear-Nose-Throat consultant had to be dropped due to budget cutbacks.

These positions represent specialized CHR's. We also have CHR generalists involved in Health Education, Mental Health and Alcoholism counseling and the direct operations of three field clinics in outlying communities, which receive an average of 9,000 outpatient visits per year. CHR duties there include medical records, Medicare/Medicaid and thrid party screening, translation services, patient transportation, nursing assistant duties, follow-up and referral, home visitation, and case finding. Without these CHR's, our tribal health clinics would have to be closed down.

IHS Indirect Costs

I would request that the Committee consider adding a Contract Support line to the IHS budget, similar to that in the BIA budget. Our tribe has been struggling for two years with the IHS in our effort to contract total IHS operations on the Mississippi Choctaw reservation. The fact that funds for tribal indirect costs are "somewhere" in the Hospitals and Clinics budget line has permitted the IHS to blur somewhat the requirement in Public Law 93-638 that contracted programs be funded at levels at or above the level which would have been set under continued IHS administration. The fact that tribes have established indirect cost rates to pay the cost of contract administration over and above those direct service levels is not clear to IHS, and their use of a total contract allocation figure has meant that tribes have had to reduce service levels, underrecover the indirect costs due them, or both. In terms of the 1983 budget, I would request that the Committee consider a $25 million supplemental appropriation to the Hospitals and Clinics line to cover a projected shortfall of $20 million in direct operations and $5 million in tribal indirect costs. For 1984, I would request that you consider moving all tribal indirect cost funds out of Hospitals and Clinics and into a new Contract Support line.

## Sanitation

Once again the Administration has proposed zeroing out Sanitation Facilities Construction, because, they say, water and sewer for HUD housing should be in the HUD budget, and not the IHS budget. Water and sewer, however, are not in the proposed HUD budget, except in the few demonstration "Indian Housing Grants" program which will cover only 1,500 units. On my reservation, we have within the last year constructed 100 new units of HUD housing, and are currently constructing 200 more. Many of these units, though completed, are not able to be occupied because there are no water and sewer services.

It should be noted that HUD can only address itself to housing-related sanitation. The other important areas needing water and sewer, including industrial, educational, and governmental, can only be addressed by the Indian Health Service sanitation construction program. This program should be scheduled for at least $20 million in the 1984 appropriation.

## Title IV

The Administration contends that after ten years the Indian Education Act has served its purpose. I believe that the article which I have appended to this testimony is ample proof that very much more needs to be done in improving Indian educational opportunity. This need, at least on reservations with BIA-operated schools, can only be addressed through the creative research and experimental activities supported by Title IV programs. The Bureau educational structure simply does not permit educational innovation.

On our reservation, the tribal government has depended on part B programs to innovate within the schools, and on the part C program to address the widespread problems of illiteracy and low educational attainment among adults. The latter program, begun in 1972, has had 363 GED graduates over a ten year period -- significantly more graduates than the BIA high school has had! Follow-up studies on these graduates have found that only nine per cent are receiving public assistance, as opposed to 35 per cent on enrollment; that 49 per cent have received either first-time employment or a better job; that 21 per cent went on to college; and that over 26 per cent of graduates report incomes of over $10,000, as opposed to zero reports of income at that level upon enrollment.

Our part B programs are used for supplementary education services and permit the tribe a form of input into the Bureau schools. The support is being used to develop secondary social studies curriculum material on Choctaw history, tribal government, culture, and contemporary affairs. No such materials existed previously -- the new materials will be used in both the BIA schools and in local public schools to supplement the study of Mississippi history. We are also conducting a special class to prepare Choctaw junior and senior high school students for college through instruction in reading, composition, library research, test-taking, and study skills, to make up for the lack of a college prep curriculum within the schools.

Our own experiences with Title IV convince us that there is no inclination on the part of any other federal agency to continue to provide similar services to Indian tribes. Indian Education Act programs, at least those in parts B and C, should be enhanced rather than eliminated.

## BIA Parent-Child Development Programs

Just over ten years ago, the BIA issued a guide for the development of preschool education programs which would draw parents into the education of their children, using them as instructional links between the home and the school. At that time, BIA noted that its "entry into the field of early childhood education is based on the urgency of the repsonsiblity to utilize the learning potential of the early childhood years in total education planning." The evidence is overwhelming that the earlier a child has an enriched environment, the better off that child will be, both in school and when he enters the work force.

Mississippi Choctaw operates a preschool funded by the BIA, one of the BIA's first parent-child development programs, and it has been notably successful in providing the early cognitive stimulation and parental reinforcement needed by young Choctaw children. An independent study by Bank Street College of Education in 1976 recommended that a program such as ours be implemented Bureau-wide. This was not done. Though Public Law 95-561 called for development of preschool standards and their inclusion in programs funded under the ISEP formula, this has not been done either.

The tribe has served over 900 Choctaw children through this program over the past ten years. In assessments taken of the children, they have consistantly shown higher gains than children outside of the program, and have shown significant pre- and post-gains on the Learning Accomplishment Profile (LAP.) Termination of the BIA preschool programs would not be cost effective over the long run, and they should be maintained at current levels and within the BIA education budget. The Conference Committee last December suggested they might be switched to Social Services, but this would be incorrect. These programs are education, rather than day care, programs.

## Health Manpower Scholarships

At the Choctaw Health Center there are no Indian people holding professional positions in the medical, dental, laboratory, pharmacy, or dietary staffs. Only the nursing staff employs some Indian professionals, who represent only 15 per cent of that staff. The need for training of tribal members in the health professions is obvious.

The scholarships authorized by the Indian Health Care Improvement Act and provided for in the Indian Health Manpower budget line are practically the only encouragement that Indian young people have to enter into careers in this complex and technical area. Without the availability of these scholarships, I believe that the members of my tribe, while they might administer our hospital facility, could not look forward to really operating it.

School Operations

The combination of ISEP interim formula funding and decreasing appropriations for school operations has resulted in a per pupil basic allotment for this school year of $1,990, a figure less that Mississippi's average per pupil cost. The multiple educational needs of Choctaw students for intensive English language development (93 per cent of Choctaw families speak exclusively Choctaw in the home), remedial education, college prep, vocational education, access to computer technology, and home-student outreach are going unmet. For Choctaw students, already behind in academic achievement, the opportunities for education through the BIA schools have been steadily declining, despite the federal responsibility to provide that education. I would request that the Committee consider raising the basic per pupil allotment in the ISEP formula to the national average, so that the unique needs of Indian students might be more sufficiently addressed.

Thank you.

## STATEMENT OF GOV. EDWIN M. MARTINEZ, NEW MEXICO

### INTRODUCTION

Mr. Chairman and members of the Committee, I am most appreciative of the opportunity to personally make a presentation to you regarding the concerns and the funding needs of the Pueblo of Laguna. Before I proceed with my statement, I wish to introduce the other members of the Pueblo delegation.

### PROFILE OF LAGUNA

The Pueblo of Laguna is an Indian tribe situated in the western part of the State of New Mexico. It has a membership of approximately 6,000 people of which 4,000 reside upon the lands of the Pueblo and the remainder reside in various parts of the country. The Pueblo's land base consists of almost ½ million acres of trust land. Prior to 1950 the residents of the Pueblo were dependent primarily upon an agricultural economy for their livelihood. In early 1950, uranium ore was discovered on the lands of the Pueblo. The Pueblo eventually entered into a mining lease with the Anaconda Minerals Company which company operated uranium mining activities on the lands of the Pueblo for 30 years. On March 31, 1982, the Anaconda Mining Company ceased its operations and gave notice to the Pueblo of its intent to relinquish its leased lands back to the Pueblo. The enclosure of the mine has had a tremendous effect upon the economy of the Pueblo and the social conditions of the Pueblo.

For many years, the Pueblo has contributed to both the national and state economies and used its own resources to offset the expenses related to the operations of the tribal government and to providing of services for the benefit of the residents of the Pueblo. In the early 1950's, the Pueblo Council initiated the practice of, to the extent possible, limiting expenditure of tribal funds to that which has been generated as income from the principal of funds invested by the Pueblo. The principal consists of all monies which the Pueblo has realized as income over the years. It has not always been possible to adhere strictly to the use of interest income. As an example, there have been instances within recent years when the Pueblo has had to utilize some of the principal in order to take advantage of sale of lands adjacent to the reservation. The lands purchased have in turn been used for tribally-operated livestock enterprises. Through the use of its own resources, the Pueblo has made significant strides in upgrading the living standards and conditions at the Pueblo. I am pleased to report that within each of the six major communities on the Pueblo, almost 100% of the households are provided modern domestic water services as well as sewage disposal services. Community services such as Law Enforcement, Social Services, Fire Protection, Emergency Medical Services, Refuse Disposal Services and Utility Maintenance Services are provided on an on-going basis to the residents of the Pueblo.

## BIA/LAGUNA AGENCY

The termination of mining activities upon the lands of the Pueblo has resulted in a drastic reduction of annual income to the Pueblo. The Pueblo is now faced with the lack of determining ways and means of continuing to provide all of the aforementioned services to Pueblo residents within the limits of its reduced income. It is the intent of the Pueblo to utilize whatever resources may be available but particularly, the resources available through the Bureau of Indian Affairs and the Indian Health Service. The Pueblo of Laguna has never been overly dependent upon either of these federal agencies for assistance in the operations of Pueblo programs, not by choice, but simply because the Pueblo of Laguna was but one of ten (10) Pueblos served by one Bureau of Indian Affairs agency. Obviously, funds allocated to the agency were never adequate to properly allow the Agency to provide extensive services to its client tribes. In 1980, the Pueblo was successful in its efforts to obtain authorization for the establishment of a separate Bureau of Indian Affairs agency at Laguna. The Pueblo of Laguna Council visualizes its relationship with, and the role of the Laguna Agency, to include rendering financial assistance in funding the cost of on-going Pueblo programs and activities. The Pueblo presently operates several Bureau programs under the auspices of P.L. 93-638. It is highly unlikely that the Pueblo would contract to operate additional programs because of the uncertainties of funding these programs from year to year and the sometimes overwhelming requirements imposed upon the Tribe by regulations governing the operations of Bureau of Indian Affairs programs. It is, however, the position of the Pueblo that they wish to take full advantage of all possible Bureau services. It is with this in mind that a portion of our request to you includes a request for a special appropriation of funds for Bureau programs operated for the benefit of the Pueblo of Laguna. Attached are documents which set forth the additional funding needs of the Pueblo by Bureau of Indian Affairs program areas (See Attachments "A", "B", "C", and Exhibit "A"). In addition, we have indicated our needs for irrigation construction funds as well as road construction funds. Due to the closure of the uranium mine and the general lack of employment at the Pueblo and in the surrounding area, we are finding that many Pueblo residents have returned to farming in order to supplement the family food needs. It is, therefore, imperative that we undertake substantial measure to improve the quality of our irrigation system and to rehabilitate lands which have not been used for farming for many years. Road construction funds are urgently needed for improvement of road systems within the confines of the six major communities as well as to provide better access to more remote areas of the reservation and to those properties situated away from the main reservation.

Laguna's rate of unemployment is alarming. It is estimated that approximately 80% of the work force is currently unemployed. The unemployment crises has created some alarming social conditions. Crime is on the increase. Alcoholism is on the rise. Family and domestic problems are an all too frequent occurrence. Suicide and suicide attempts continue to occur at an ever alarming rate. Obviously, employment will not be the total answer to these problems and concerns but it will significantly reduce the number of such occurrences. The Pueblo Council requests your timely assistance by making funds available for pursuit and implementation of industrial ventures at the Pueblo. The Pueblo is actively negotiating with at least six companies which have expressed an interest in relocating their operations or a portion thereof onto Pueblo lands and thereby creating some 50 to 200 jobs. The Pueblo has immediately available a modern 42,000 sq. ft. industrial building and a new commecial center of 16,000 sq. ft. which has never been occupied. Many Pueblo members have expressed a desire to establish small business enterprises, however, they lack the necessary capital with which they can go into business. I am sure that you are well aware that commercial financial institutions will not provide funding for projects located on Indian lands due to the restrictions on encumbrance of trust as collateral for private loans. The assistance which the Pueblo desires from the federal government is in the form of funds for training for participation in industrial ventures, maintenance of an on-going tribal industrial development office and the establishment of a BIA Credit Program.

I mentioned earlier in this statement that for 30 years, the Anaconda Company operated a uranium mine on the lands of the Pueblo. If any members of this Committee have hand any experience with openpit mining operations, you can imagine in what state of condition the lands which were mined over the past 30 years have been left. The Anaconda Company has submitted to the Pueblo a proposed reclamation plan which is under active consideration by the Pueblo and appropriate federal agencies. The development of an Environmental Impact Statement is in progress. Until November of last year, the Pueblo worked very closely with the Minerals Management Service in the review of the plan and development of the Environmental Impact Statement. However, as you are aware, the Minerals Management Service has undergone a major reorganization which has left the Pueblo basically without the confidence of federal concern and expertise in the final consideration and development of the reclamation plan. The Pueblo does not have within its internal organization, the expertise to provide technical review of the total reclamation plan. It is the request of the Pueblo to this Committee that sufficient funds be allocated to our trustee, through the Laguna Agency, for the acquisition of expertise needed to carry out the review and development of the final reclamation plan. The reclamation effort, which will take place at Laguna will, as I understand it, be the first major effort at reclaiming an open-pit uranium mine within the United States. We, therefore, do not have the benefit of experience which we can rely upon in the consideration and development of the final reclamation plan. The future health and welfare of our people is at stake. It is, therefore, imperative that the best available expertise be acquired for advice and guidance in the development of the plan. The contents of which will undoubtedly establish precedence in the reclamation of open-pit uranium mines.

When the BIA Laguna Agency was created in 1980, it was done so with the understanding that whatever portion of the of the funds and positions allocated to the Southern Pueblos Agency for providing services to the Pueblo of Laguna would be allocated to the Laguna Agency. The Pueblo of Laguna has been in constant compliance with this understanding and has not undertaken any effort to seek the reallocation of funds or positions allocated to the Southern Pueblos Agency which in turn might jeopardize services provided by the Southern Pueblos Agency to the remaining nine Pueblos. This is the reason that the Pueblo of Laguna has approached this Committee on an individual basis in the hopes that the Committee will identify and earmark funds specifically for programs to be operated by or handled through the Laguna Agency. Currently, the funding level of the Laguna Agency is in disproportion to other BIA agencies when one takes into consideration the number of people to be served, the size of the reservation, the number of programs and services to be maintained, and the complexity of problems and needs facing the Pueblo. I am submitting as a part of this statement a complete breakdown of the Agency's, and subsequently the Pueblo's funding needs as has been determined by the Pueblo (See Attachments "A", "B", "C", and Exhibit "A"). In addition to funding needs for maintenance of on-going programs and services, we have also identified our irrigation and road construction needs. It is our intent to accomplish at least a portion of all construction work on a force account basis which we believe to be entirely possible considering the large well-trained and qualified labor pool which exists at Laguna. There are over 800 people actively seeking employment and skilled in 255 jobs classification skills, many of which are related to road and irrigation construction activities. As you can see, our efforts and plans are not only to further develop our reservation but to provide urgently needed employment opportunities as well. When developing job opportunities, we view every job developed as assisting in the support of at least five (5) persons as the average family size at Laguna is five.

## INDIAN CHILDREN'S PROGRAM

Gentlemen, during your consideration of the Fiscal Year 1983 appropriations for the Bureau of Indian Affairs and the Indian Health Service, you referred specifically to and recognized the success of the Indian Children's Program, a program operated by the Indian Health Service but funded jointly by the Bureau of Indian Affairs and Indian Health Service. The Indian Children's Program has the support of the Pueblo of Laguna. Some of you are aware of the leadership role played by the Pueblo in attempting to generate funding for the construction of a handicapped children's diagnostic and treatment facility. As further evidence of the support of the Program and the planned facility, the Pueblo in 1977 set aside a parcel of Pueblo land upon which the facility could be built. Despite the continued efforts of the Pueblo in pursuing the development of the facility through the involvement of the BIA and IHS, very little progress has been made. The Pueblo has been advised by the Indian Health Service that a further study will have to be made of the prevalance of psychological, emotional and behavioral disorders among Native American children and the unmet need of care and treatment which exists. We support the Committees' directive to the IHS and the BIA that they continue to give high priority to this program and request that the Committee also mandate the IHS to include in its budget request an appropriation of funds sufficient to develop information and data to plan and design a residential diagnostic and treatment facility.

## LAGUNA MIDDLE SCHOOL

Finally, I wish to make the Committee aware of the extreme displeasure of the people of the Pueblo of Laguna with the decision of the Assistant Secretary for Indian Affairs in the matter of the need for a Middle School at Laguna. We believe that his decision was arbitrary and will cause irreparable harm to the children of the Pueblo because they have now been denied adequate educational facilities. You have, upon the recommendation of the BIA, authorized the reprogramming of the amount of $5,430,000 which was appropriated in FY '82 for construction of the school. An appropriation which was obtained through the sole efforts and expense of the Pueblo of Laguna. We ask that this Committee take a close look at the actions of the BIA and we believe you will find that the Assistant Secretary's determination was incorrect and was made in violation of the Department's formal procedures. We respectfully request the help of the Committee in causing the Laguna Middle School to be returned to its rightful place on the BIA school construction priority list on the basis that 100% of the children that would be enrolled in it are at present unhoused.

## EDUCATION NEEDS

As with any other Bureau of Indian Affairs Education entity, the Laguna Elementary School experienced reduction in funding level for its project under ESEA Title IV, Part B. This program, being supplemental to the Basic Program, was specifically designed to provide the needed instructional materials and equipment so cirtically necessary to effectively remediate student deficiencies in reading, math, and language arts. This program represents a resource which permits a wider avenue of instructional processes. For example our program has been designed to provide special instructional materials to increase to 80% accuracy the work accomplished by students on class assignments in order to prevent future remediation. Another emphasis has been to provide supplemental instructional materials that are designed to involve parents in helping motivate their children to decrease absences.

As can be seen from the two examples sited above, the program is one that does not give additional work or now practices in the deficient areas but rather attempts to address those very obvious problem areas that promote academic deficiencies, e.g. lack of motivation, truancy, etc. Our annual performance evaluation and financial status reports show that full utility of the allocated funds have resulted in positive gains by our students as measured by end-of-the year examinations.

In addition to FY-82 cuts, some recissions of FY-83 funds have been proposed. The impact that his would have at our school is that the recission would severly hamper sequential planning and implementation of remedial programs designed for student motivation and parental involvement in the instructional processes. As one project is completed, succeeding projects must reinforce and substantiate previous efforts. While several projects may be simultaneously planned in sequential order, it is often necessary to hold back funding for future projects in order to fully utilize and gain the benefits of current projects (which may require additional expenditures or current projects prior to obligations on future projects).

The termination of Title IV funding at the Laguna Elementary School in FY-84 would result in:

1. Successful projects being half finished resulting in a loss rather than a gain in both effort and student benefits.
2. Termination of supplemental resource program designed for remediation by providing supplemental instructional materials with special content to address important peripheral factors which promote academic deficiencies.

The loss of this program in affect would destroy many months, years of slow and painful progress in improving the motivational factors of our students. There is nothing proposed to take the place of any of the funds being lost. The regular program funds are limited to basic instructional. The loss of funding therefore represents a regression within the educational program itself.

We also solicit your help in restoring to an adequate level of funding to the Laguna Agency Office of Indian Education Programs in the amount of $100,000. Without going into extensive detail, I submit to you that the reduction in the funding level for the Laguna Agency OIEP to $50,000 for the FY'83, is merely an underhanded means of accomplishing a previously implied decision of the Washington BIA Education Office to abolish the Laguna Agency OIEP despite a determination by that Office a year earlier that the OIEP at Laguna was justified. The FY-82 Budget was $71,336.00 as compared to the FY-83 allocation of $50,000.00 which represents a 30% cut.

The Government to Government relationships established under the authority of P.L. 95-561 in all matters relating to the facilitation of Indian control of Indian affairs in all matters pertaining to Indian education has also recently become a matter of grave concern to the Pueblo of Laguna. On December 1, 1980, approval was granted to establish the Office of Indian Education Programs at the Laguna Agency with implementation to begin March 1, 1981. The education office was established effective September 8, 1981. Five positions were authorized at the Agency level:

- Superintendent of Education;
- Business Manager (Agency & School)
- Secretary
- Special Education Coordinator/Speech Pathological; and
- Clerk-Typist (Special Education).

To date, the position of Agency Superintendent for Education has not been filled on a permanent basis, although a tentative selection has been made. Now a decision is pending with the Bureau of Indian Affairs as to whether the education office will be continued at the Laguna Agency. The Pueblo of Laguna and the Laguna Agency (both BOB and Education) have established and maintain excellent working relationships working together providing services to the people of Laguna. Educational goals of the Tribe and the Agency to provide quality educational opportunities from early childhood through life in accordance with the Tribe's needs are being formulated and developed. Discontinuation of the local education office will in effect minimize our local participation in policy and decision making activities of our educational programs. This is not consistent with the policy of Indian Self-Determination as enunciated in 25 CFR 271.4. The Pueblo of Laguna takes great pride in its progress in Indian Education and strongly urges the Bureau of Indian Affairs to not only render a decision to continue the education office at the Laguna Agency, but to provide for expansion of service by authorizing filling of all approved positions.

## STATEMENT OF GILBERT KINGGEORGE, MEMBER, MUCKLESHOOT INDIAN TRIBE

My name is Gilbert KingGeorge. I am a member of the Muckleshoot Indian Tribe and the Chairman of the Muckleshoot Tribal Council. I am addressing you today to urge you to favorably review the upcoming appropriations for the Bureau of Indian Affairs.

The pursuit of self-determination has led our people to a point now where I, as a Tribal leader, have to explain that economic self-sufficiency and our own social recovery must take place at the loss of programs and budget reductions. The expense that is paid by the Muckleshoot people to support administration policy toward eradication of federal support on the reservation, is tremendously disproporationate in relation to the needed capacity to develop and compete in the private sector.

The Muckleshoot Indian Tribe has identified priorities that are an integral core of our infrastructure as a developing economy. They are:

1. Ongoing support for the Keta Creek Fish Hatchery.
2. Operational support for the Tribal School beginning in FY 1985.
3. Direct support of Tribal Environmental Programs.
4. Continuing and direct item support for the Muckleshoot Youth Home.
5. Expansion of economic development program funds with less regulatory restrictions.
6. Tribal capacity building through expanded programming in Core Management Grants Program.

If the Muckleshoot people are to be asked to "Stay the Course" and participate in the economic recovery program as outlined by the Administration, then the need exists to insure that the program eliminates excessive regulation and trims the bureacracy, not the program. Past efforts have always resulted in more rhetoric than action, causing critical delays in Tribal capacity building and organizational development. If federal support is to be maintained in these important areas then we must ask that the overall effort of the Bureau of Indian Affairs be fully supported on behalf of Federally Recognized Indian Tribes. This would include the dismantling and transfer of all federal programs to the BIA that normally include unrecognized tribes and outside organizations.

In summary, the lack of resource development and asset liquidity will place the need for economic relief soley on the federal government and the Bureau of Indian Affairs. The Muckleshoot Indian Tribe will suffer the more greatly for "Economic Recovery" than benefit. At this point basic Tribal government support for community needs and continued reservation development is lacking; coupled with budget cuts and reductions, this action will stifle self-sufficiency and self-determination. This action will surely continue to move the Muckleshoot Indian people toward greater federal dependency, rather than reduction of same, and will propose in the long term a greater increase in federal expenditures.

The time for planning is past, the time of implementation is now. We reside in an area of tremendous growth and affluence, the Muckleshoot Indian people wish to prove to all concerned that we too have the capability to be an equal economic partner in today's society. Thank you for this opportunity to address you today.

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## STATEMENT OF DARRELL "CHIP" WADENA, PRESIDENT, MINNESOTA CHIPPEWA TRIBE

Mr. Chairman and Members of the Committee, I am Darrell "Chip" Wadena, President, Minnesota Chippewa Tribe (consisting of the White Earth Band, Leech Lake Band, Mille Lac Band, Boise Forte Band, Fond du Lac Band and Grand Portage Band), and, in addition, I serve as Chairman of the White Earth Band. We appreciate the opportunity to discuss tribal funding needs with the Committee.

On January 24, 1983, President Reagan released an Indian Policy Statement that reaffirmed the U.S.'s government-to-government relationship with Indian tribes; endorsed the principle of Indian self-determination; suggested the tribes reduce their dependence on federal funds to support government services; urged the tribes to assume a greater share of such costs; and committed to create an improved environment for economic development on Indian reservations.

While we have no quarrel with this approach, in general, we submit that Indian tribes will require substantial long-term federal funding to support vital social and economic development programs and services operated directly by the government or through contracts with the tribes for a variety of reasons:

- o Economic development on reservations is a slow process often tied to the national economy.
- o Many tribes are resource poor and have only limited opportunities for development.
- o Many tribes lack management expertise within their government structures and are unprepared to manage a wide array of programs at this time.
- o Indian people manifest social and economic needs disproportionate to those in the general population.

Moreover, the FY 1984 budget realities for the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS) and other agencies serving Indians in many instances fail to measure up to the rhetoric contained in the President's Indian Policy Statement.

In face of such realities, we strongly urge the Committee to include the following funds which were eliminated in the President's budget.

1. $67,000,000 to the Office of Elementary and Secondary Education to continue funding for parts A, B, C, and D of the Indian Education Act, including funds to specifically assist the Minnesota Chippewa Tribe.
2. $25,000,000 to the Indian Health Service for continuation of the Community Health Representative Program, including funds for the Minnesota Chippewa Tribe.
3. $47,000,000 to the Indian Health Service for water and sewer facilities to serve new and improved housing sponsored by tribal, federal and state programs as well existing homes in proximity to such homes, including those on the Chippewa reservations.
4. $500,000 to the Bureau of Indian Affairs specifically earmarked for the tribes to fund fisheries management activities - enforcement of tribal codes, courts and enhancement - relating to their judicially-affirmed Indian treaty fishing rights.
5. $155,000 to the Bureau of Indian Affairs for Johnson O'Malley programs and $250,000 to support alternative programs.
6. $300,000 to the Bureau of Indian Affairs to support rights protection, probate work and administration.
7. $300,000 to the Bureau of Indian Affairs to support various economic development efforts among the tribes.

Mr. Chairman, the Tribe/Agency portion of the BIA budget, reflecting tribal priorities, has been increased slightly for FY 1984. We urge you to increase these funds by at least twenty percent so that the tribes' priorities may enjoy more realistic funding commensurate with needs.

We are encouraged that the Congress and the Administration have reached agreement on a jobs bill. We understand it will soon be considered by the Appropriations Committee as a supplemental to the FY 1983 appropriations. We urge that the Committee assign the highest priority to public works projects on Indian reservations. Indian unemployment is six times greater than the national rate. We could put many Chippewa people to work right away on forestry and fishery conservation measures, HIP housing, road maintenance, facilities improvement and repair, law and order facilities construction, and IHS construction activities.

In conclusion, we appreciate the serious attention you and this Committee have given to assure adequate funding over the years for vital Indian service programs and for the construction of necessary facilities. Your good work has contributed to a richer quality of life for many Indian people.

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## STATEMENT OF S. TIMOTHY WAPATO, EXECUTIVE DIRECTOR, COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

CHAIRMAN YATES AND SUBCOMMITTEE MEMBERS, THANK YOU FOR THE OPPORTUNITY TO TESTIFY BEFORE YOU. I AM TIM WAPATO, EXECUTIVE DIRECTOR OF THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION. WITH ME TODAY ARE REPRESENTATIVES OF SEVERAL OF THE MEMBER TRIBES.

THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION IS COMPRISED OF THE FISH AND WILDLIFE COMMITTEES OF THE FOUR COLUMBIA RIVER INDIAN TRIBES EXERCISING TREATY FISHING RIGHTS; RIGHTS AFFIRMED IN FEDERAL AND SUPREME COURT ADJUDICATIONS IN THE COLUMBIA RIVER BASIN. THOSE TRIBES ARE THE

CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON, THE CONFEDERATED TRIBES AND BANDS OF THE YAKIMA INDIAN NATION (IN WASHINGTON), THE CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION OF OREGON AND THE NEZ PERCE TRIBE OF IDAHO. THESE TRIBES POSSESS AUTHORITIES FOR THE EXCLUSIVE MANAGEMENT OF THEIR FISHERY RESOURCE ON-RESERVATION AND THE CO-MANAGEMENT WITH STATE AND FEDERAL AGENCIES OFF-RESERVATION. THESE AUTHORITIES ARE THEIR TREATIES WITH THE UNITED STATES, FEDERAL COURT INTERPRETATION OF THE TREATIES AND CONGRESSIONAL LEGISLATIVE ACTION.

THE TRIBES IN 1976 FORMED THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION TO PROVIDE THE TECHNICAL, BIOLOGICAL AND ANALYTICAL ASSISTANCE NECESSARY TO MEANINGFULLY PARTICIPATE IN THE MANAGEMENT PROCESS. THE MEANINGFUL PARTICIPATION IN MANAGEMENT OF THE ANADROMOUS FISHERY RESOURCE, TO BE EFFECTIVE AND TO PROTECT THE TREATY RIGHT, REQUIRES THAT COLUMBIA RIVER INTER-TRIBAL STAFF BE ACTIVE PARTICIPANTS IN A NUMBER OF MANAGEMENT PROCESSES AND FORUMS. THOSE PROCESSES AND FORUMS INCLUDE BUT ARE NOT LIMITED TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL AND THE PACIFIC FISHERY MANAGEMENT COUNCIL, THE FEDERAL REGULATORY BODIES ESTABLISHED BY THE MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT OF 1976; THE WASHINGTON-OREGON COMPACT, THE REGULATORY BODY WHICH SETS HARVEST REGULATIONS IN THE COLUMBIA RIVER; THE U.S.-CANADIAN SALMON INTERCEPTION TREATY NEGOTIATIONS AND IMPLEMENTATION; THE SALMON AND STEELHEAD ACT OF 1980 WHICH ESTABLISHED THE SALMON AND STEELHEAD ADVISORY COMMISSION WITH THESE TRIBES AS ACTIVE PARTICIPANTS; THE PACIFIC NORTHWEST POWER PLANNING AND CONSERVATION ACT OF 1980 WHICH REQUIRED THAT A FISH AND WILDLIFE PROGRAM BE ADOPTED AND IMPLEMENTED CONSISTENT WITH TREATY RIGHTS AND WITH MEANINGFUL TRIBAL PARTICIPATION; AND THE REVIEW, COMMENT AND RESPONSE TO PLANS AND ACTIONS BY AGENCIES WHICH MIGHT AFFECT THE FISHERY RESOURCE, THE HABITAT OR THE WATER QUANTITY OR QUALITY. THOSE AGENCIES INCLUDE THE U.S. FOREST SERVICE, THE NATIONAL PARK SERVICE, THE U.S. FISH AND WILDLIFE SERVICE, THE NATIONAL MARINE FISHERIES SERVICE, THE BUREAU OF LAND MANAGEMENT, THE BUREAU OF RECLAMATION, THE NUCLEAR REGULATORY COMMISSION, THE FEDERAL ENERGY REGULATORY COMMISSION, THE U.S. ARMY CORPS OF ENGINEERS, AND THE BONNEVILLE POWER ADMINISTRATION. THERE ARE IN EXCESS OF 120 COMMITTEES, SUBCOMMITTEES AND AD HOC COMMITTEES INVOLVED IN MAKING DECISIONS THAT AFFECT THE MANAGEMENT OF THE RESOURCE OR AFFECT THE HABITAT.

THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION WAS FUNDED AT $600,000 IN 1977 TO PROVIDE THE TECHNICAL ASSISTANCE TO THE TRIBES. THERE HAS BEEN NO SIGNIFICANT INCREASE IN THE LEVEL OF FUNDING SINCE THE INCEPTION OF THE PROGRAM. THE DYNAMIC PROCESS OF FISHERY MANAGEMENT, COUPLED WITH THE RECENT LEGISLATIVE ACTS, HAS PLACED FAR GREATER AND SIGNIFICANT DEMANDS UPON THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION TO PROVIDE TECHNICAL, BIOLOGICAL, ANALYTICAL AND PUBLIC INFORMATION ASSISTANCE TO THE TRIBES IN ORDER TO ENABLE THOSE TRIBES TO PARTICIPATE MEANINGFULLY IN THAT MANAGEMENT, TO PROTECT THEIR TREATY RIGHTS, TO EXERCISE THOSE RIGHTS AND TO PRESERVE THE ANADROMOUS FISH RESOURCE.

MR. CHAIRMAN AND COMMITTEE MEMBERS, WE ARE REQUESTING THAT THE BUREAU OF INDIAN AFFAIRS FUNDING FOR F.Y. 1984 FOR THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION BE INCREASED TO $965,000 TO EFFECTIVELY PERFORM AND PROVIDE THE NEEDED FUNCTIONS.

THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION AND ITS MEMBER TRIBES HAVE BEEN ATTEMPTING TO ESTABLISH AND ASSUME THE REGULATORY AND ENFORCEMENT COMPONENTS OF CO-MANAGEMENT OF THE RESOURCE. REGULATION AND ENFORCEMENT ARE INTEGRAL AND INSEPERABLE COMPONENTS OF MANAGEMENT OF ANY RESOURCE, PARTICULARLY SO IN THE CASE OF THE ANADROMOUS FISHERY RESOURCE. THE TRIBES POSSESS, THROUGH THEIR TRIBAL SOVEREIGNTY, THE POWER AND AUTHORITY TO REGULATE THEIR FISHERY. THE TRIBES HAVE AGREED UPON A PROGRAM AND A SYSTEM WHEREBY AN INTER-TRIBAL ENFORCEMENT PROGRAM COULD BE ESTABLISHED. THIS PROGRAM HAS RECEIVED SOME FUNDING THROUGH THE BUREAU OF INDIAN AFFAIRS AND THE ADMINISTRATION FOR NATIVE AMERICANS. IN 1981, FUNDING IN THE AMOUNT OF $165,000 FOR ENFORCEMENT EQUIPMENT, INCLUDING TWO PATROL BOATS AND THREE PATROL VEHICLES, WAS OBTAINED. UNFORTUNATELY, THERE WAS NO FUNDING PROVIDED FOR THE OPERATION AND MAINTENANCE OF THE EQUIPMENT NOR WAS THERE ANY FUNDING PROVIDED FOR PERSONNEL TO OPERATE THE EQUIPMENT, SUCH AS POLICE OFFICERS. IN 1982, THE BUREAU OF INDIAN AFFAIRS PROVIDED FUNDING TO OPERATE THE EQUIPMENT FOR A PERIOD OF SEVERAL MONTHS. TWO OF THE TRIBES STOLE POLICE MANPOWER FROM ALREADY WOEFULLY THIN ON-RESERVATION DEPLOYMENT AND ASSIGNED THEM TEMPORARILY TO PATROL THE MAINSTEM COLUMBIA.

IN RECENT MONTHS THERE HAVE BEEN A NUMBER OF WIDELY CIRCULATED AND REPEATED NEWS STORIES PROCLAIMING THE EXISTENCE OF LARGE SCALE POACHING, THE ILLEGAL TAKING OF SALMON, ALLEGEDLY BY INDIAN FISHERMEN. THE NATIONAL MARINE FISHERIES SERVICE AND THE U.S. FISH AND WILDLIFE SERVICE HAVE EXPENDED HUNDREDS OF THOUSANDS OF DOLLARS IN ENFORCEMENT ACTIVITIES, BOTH OVERT AND COVERT, OF TREATY INDIAN FISHERIES. THE TRIBES AND THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION STAND READY TO ESTABLISH THE TRIBAL ENFORCEMENT PROGRAM SO NECESSARY TO PRESERVE THE RESOURCE.

THERE IS AN AD HOC COMMITTEE IN EXISTENCE ON THE COLUMBIA RIVER ENTITLED THE COLUMBIA RIVER LAW ENFORCEMENT COMMITTEE. ITS MEMBERS ARE THE CHIEF FISHERY LAW ENFORCEMENT OFFICERS FOR THE OREGON STATE POLICE, THE WASHINGTON DEPARTMENT OF FISHERIES, THE WASHINGTON DEPARTMENT OF GAME, THE IDAHO DEPARTMENT OF FISH AND GAME, THE U.S. FISH AND WILDLIFE SERVICE, THE NATIONAL MARINE FISHERIES SERVICE AND THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION. THIS COMMITTEE STRONGLY ENDORSES AND URGES THE FUNDING AND ESTABLISHMENT OF THE INTER-TRIBAL ENFORCEMENT EFFORT.

MR. CHAIRMAN AND SUBCOMMITTEE MEMBERS, WE REQUEST THAT THE BUREAU OF INDIAN AFFAIRS BUDGET FUNDING BE INCREASED $512,000 FOR THE PURPOSE OF THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION ENFORCEMENT PROGRAM.

IN SUMMARY, THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION HAS BEEN A VIABLE COORDINATING MECHANISM FOR IMPLEMENTING THE TREATY RIGHTS AFFIRMED IN THE FEDERAL COURT DECISIONS AND HAS BEEN EFFECTIVE IN THE VARIOUS FORUMS INVOLVED IN FISHERY MANAGEMENT ACTIVITIES. THE BUREAU OF INDIAN AFFAIRS TRUST RELATED FUNCTIONS CONDUCTED THROUGH THE P.L. 93-638 CONTRACT WITH THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION WILL BE HAMPERED BY THE LACK OF INCREASED FUNDING.

THIS CONCLUDES MY REMARKS, MR. CHAIRMAN. I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS.

## STATEMENT OF THE NONREMOVABLE MILLE LACS BAND OF CHIPPEWA INDIANS

The following testimony is submitted on behalf of the Non-Removable Mille Lacs Band of Chippewa Indians from Vineland, Minnesota. We are a small reservation with a citizen population of two thousand and seventy-five (2,075).

The following is a brief statement which justifies the Budget Proposal for the Non-Removable Mille Lacs Band of Chippewa Indians for fiscal year 1984. This budget proposal is a location budget that has been developed independently and its format has been self-generated. The Band Assembly believes that the truest representation of local needs could only be developed by stepping outside the traditional and existing structure of governmental reporting. By the same token, no attempt has been made to stay within any cost guidelines that may be implied by either the current or proposed 1984 fiscal year budgets. Simply stated, the present budget preparation process does not accurately portray the needs of this small band in current funding levels or the allocation methods employed to arrive at such. Additionally, they do not reflect nor are they consistent with the priorities developed at the band level. Thus, funds tend to be expended to meet broad specified needs which may not be critical needs at the band level.

In the words of Felix Cohen, "the Indian's rights to self-government is a right which has been consistently protected by the courts, frequently recognized and intermittently ignored by treaty makers and legislators, and very widely disregarded by administrative officials. That such rights have been disregarded is perhaps due more to lack of acquaintance with the law of the subject than to any drive for increased power on the part of administrative officials." Further, "Indian self-government, the decided cases holds, includes the power of an Indian tribe to adopt and operate under a term of government of the Indians' choosing, to define conditions of tribal membership, to regulate domestic relations of members, to prescribe rules of inheritance, to levy taxes, to regulate property within the jurisdiction of the tribe, to control the conduct of members by municipal legislation, and to administer justice." These expressed powers, are not delegated powers, but rather "inherent powers" of a sovereignty. The people, who comprise the Non-Removable Mille Lacs Band of Chippewa Indians, expect their elected tribal leadership, to govern them thoughtfully, with wisdom, honor and integrity, in the furtherance of Indian self-determination.

Basically, the Mille Lacs Band of Chippewa Indians was confronted two years ago with a positive challenge to directly implement appropriate sections of the Indian Self-Determination Act of 1975 in order to ward off exterior encroachments to our rights of self-government. Surely, what came to us as a people, was a rudimentary change in the basic government to government relationship as was conducted in the past. Simply, we began to improve the basic function of our government at all levels within the territorial boundaries which comprise the jurisdictional control of the Mille Lacs Band of Chippewa Indians. Thus, the expectation of my people, is to implement the President's policy.

In the furtherance of self-determination, the Mille Lacs Band of Chippewa Indians, arrived at a crucial point in the development of a future system of tribal government. The people determined that they have a right to be self-governed. The purpose of the Indian Self-Determination Act of 1975 was to afford Indians the opportunity to become self-governing. On the Mille Lacs Indian Reservation, we, the elected tribal leadership, in partnership with our people, took advantage of the opportunities afforded us by the President and Congress of the United States. Therefore, our tribal government implemented a phased planning project to firmly establish this goal. This four year project on tribal government resulted in the selection and refinement of a form of government which regulates domestic relations and establishes appropriate and effective statutes which guides our Band's relations with the honorable government of the United States. We view this as a necessary step toward strengthening the future efforts of self-determination for the Non-Removable Mille Lacs Band of Chippewa Indians.

In President Reagan's Indian Policy Statement, emphasis was placed on strong and effective Tribal Government which is essential in the fight to solve economic, health, social, and other problems of American Indians living on or near Indian Reservation. The policy further states that the Administration will be removing obstacles to self-government by creating a more favorable environment for development of healthy reservation economics and recognizes the diversity of the Indian Tribes and the right of each to set its own priorities and goals.

We agree with President Reagan, when he said, "...since 1975, there has been more rhetoric than action." The time came for the Mille Lacs Band to implement opportunities of a sovereign and begin negotiations on government to government relations. The manner in which one government conducts relations with another are political in nature. Due to this precept of political science the Mille Lacs Band has recently implemented a separation of powers form of governance intending to improve the basic functions of the Mille Lacs Tribal Government at all levels. The separation of powers includes the Executive Branch, the Legislative Branch, and Judicial Branch. This system emulates the Federal Governmental structure as mandated in the Constitution of the United States.

In conclusion, the Non-Removable Mille Lacs Band of Chippewa Indians are collectively, a historical people who view themselves as possessing the aboriginal rights, privileges and responsibilities afforded by internal sovereignty. They elect by popular vote a government which they believe is a political entity. Through local conceptions, this denotes a band of Indains who reside within the territorial limits of the Treaty of 1837 and who elect, by popular vote, a government which is conceived as being sovereign within the territory as regards band members. Questions regarding the confines and /or directions of internal sovereignty must remain the sole jurisdiction of tribal government for the people and by the people unless specifically withdrawn by the enrolled band members themselves. Finally, to further the purposes of this assistance request, the people of Mille Lacs concur with the words of former Supreme Court Chief Justice John Marshall when he wrote about the relationship of tribes to outside interior governments. He characterized this relationship as being "marked by peculiar and cardinal distinctions that exist nowhere else." On this premise the people and their new separation of powers form of government will proceed to implement the policies of President Ronald Reagan.

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## STATEMENT OF THE ROBESON COUNTY BOARD OF EDUCATION, LUMBERTON, N.C.

### PROSPECTUS

### Robeson County Compensatory Indian Education Project

While we recognize the responsibility of states to provide for the education of the people, it is important to state that often repeated unsuccessful attempts and negotiations to obtain federal educational programs and services for Indians in Robeson County, the Department of Interior reported that "limited funds were needed for other Indians who were less civilized than the Indians of Robeson County." In 1885, the State of North Carolina enacted legislation to provide for separate educational facilities for the education of Indians in Robeson County, and in 1887, established the first institution for the higher education of Indians in the Nation, an institution which is today a part of the North Carolina University System but since 1958 has no longer been designated as an Indian institution. In spite of this historical role of state aid to the education of Indians, some Indian communities did not establish Indian schools until as late as 1956 and no longer exist as Indian schools. Until the Title IV Indian Education Act, no financial assistance for higher education of Indians had been provided and Indians have been excluded from eligibility for minority presence monies in state institutions for higher education. In 1982, the N. C. Legislature appropriated $100,000 for one year only during the "pork barrel" session.

Although the State of North Carolina has been progressive in legislative initiatives for the education of Indians, history records these actions as politically expedient and limited in impact, compared with other Indian tribes and groups, the Indians in Robeson County have the highest levels of educational achievement, possess the largest number of college degrees, and have the largest number of trained professionals, however, when these positive factors are compared with the size of the Indian population, 40,000+, the numbers are of little significance and speak to the fact that state support and state commitment to the education of Indians, in spite of a progressive legislative history, has much to accomplish in order to achieve standards of excellence. A philosophical commitment does not ensure the commitment of necessary resources.

With the enactment of the Title IV Indian Education Act in 1972, Robeson County Indians and the Robeson County Board of Education have sought to take full advantage of the opportunities for the improvement of education of Indians made available through this federal initiative.

Since its inception in 1973-1974, the Robeson County Compensatory Indian Education Program has consistently ranked as one of the largest funded and best conceived projects in the nation. Funding allocations have progressed from a 1973-1974 award of $485,430.90 ($64.67 per pupil) for the system's 7,537 certified Indian students to a current grant award of $1,081,656.00 ($123.66 per pupil) for the 8,747 Indian students for whom Indian Certification (506) Forms are on file. During this same period, the state and local commitment to the education of Indian children is reflected in their combined 1973-1974 per pupil allocation of $668.39 to a fiscal 1981-1982 per pupil allocation of over $1,500.00. Recent educational research studies of compensatory education programs have consistently pointed out that in order for programs to effectively impact the education of children, and especially disadvantaged youth, a larger allocation of local, state, and federal resources is required.

Now, more than any other time in the past, special educational programs and services intended to compensate for a complexity of social, economic, and educational deprivations suffered by the poor, and minorities in particular, must be maintained. The continued persistence of economic deprivation attributable to either absent, non-producing, or marginally producing breadwinners (80 percent of Robeson County residents are classified as economically deprived), the persistence of deeply ingrained and baseless stereotyping, the lack of an "educational tradition" in the home, the social alienation caused by racial discrimination and its accompanying deprivation in housing, employment and education, and the geographical isolation which prevents "full" access to opportunities tend to impact negatively upon those measures by which school success is measured —— attendance, drop-out rates, grades, standardized test scores, job (career) preparation and success, and participation in school activities. The statistics enclosed demonstrate the extent of the problem in the Robeson County school system as well as document the positive impact federal funds has had upon the education of the system's Indian students. Listed below are a few sample cases extracted from those statistics.

Absenteeism - In 1973 the daily absentee rate was 5.10 percent; in 1982, this rate had been reduced to 4.82 percent: an improvement which can be directly attributed to Title IV-A sponsored counseling programs, home visitations, after school interest classes, and other special educational programs and activities designed for Indian students.

Promotions/Retentions - In 1973, 2.09 percent of the population was being retained at grade; in 1982 this percentage had risen to 9.72: a clear indication of the influence of new and alternative approaches to education including accountability, voucher plans, performance appraisal and a host of other conservative reactions to the increasing costs of public education as well as the need to make educational institutions more sensitive, less bureaucratic, discourage professional inbreeding, oust outdated standards, give direction to hesitant leadership, and give meaning and purpose to education for life in a complex and changing society.

Drop-Outs - The magnitude of the drop-out problem is staggering with the rate for high school students consistently averaging well above 40 percent. In 1973, 69.75 percent of all drop-outs among Robeson County youth were Indian. By 1982, and with the intervention of special counseling programs, competency test orientation, career orientation, and other programs this rate has been reduced to 60 percent, meaning that Indians are now leaving school in proportion to their actual representation in the population. However, the annual drop-out rate remains at about 10 percent.

Exceptional Programs - In 1973 a mere thirty-eight (38) Indian students were identified and participating in programs for gifted and talented students. Title IV-A instituted a gifted and talented program that has been instrumental in identifying gifted and talented Indian students, providing special summer enrichment programs, and enrolling Indian students in state sponsored educational enrichment programs for gifted and talented students. The project annually works with approximately 120 Indian youth, and in 1982, 126 were participating in gifted and talented classes.

Standardized Testing - Since the system began its annual testing program in 1977 students have made continued progress. Thirty-seven point two (37.2) percent of the first graders were at or above grade level in 1977. By 1982 tutorial programs and other special intervention programs had enabled sixty-two point nine (62.9) percent to score at or above actual grade level. Similar trends hold true for all grades tested (1,2,3,6, and 9). However, longitudinal studies of the same group shows that the effects of educational deprivation tend to become increasingly more acute as the student progresses through the grades. Further, a student who was five months behind at the end of grade three will probably fall even further behind each year, and by the time he reaches grade 10, be scoring as much as two to three years below grade. These test results also reveal that while Indian youth are closing the gap between the national test and the local norm, a wide gap still exists between the scores of Indian students and their white counterparts.

Post Secondary Education - Graduate statistics also reveal that forty-six percent (46%) of the Indian students leaving high school in 1973 went directly into the work force and that by 1982 this figure had dropped to twenty-seven percent (27%). Though improvement has been made, this statistic is alarming when one stops to consider the fact that the rapid proliferation of new career options is making the talents of the average high school graduate obsolete. These data, along with a wealth of other information, indicate that while Title IV Indian Education Act programs have helped to improve the status of Indian youth, most are still ill-prepared to meet the challenges of a rapidly changing society.

In Robeson County, the Title IV, Part A program has been integrated into the organizational structure of the school system. Of fundamental importance has been the coordination of project funds with other programs and community agencies, organizations and institutions to ensure the maximation of available resources and to avoid duplication of services. At the same time, the

LEA allowed project staff and the parent advisory committee the flexibility to plan, develop and implement program components based on "community prioritized" needs. The end result has been the emergence of a "model" project which is presently initiating efforts for nomination by the Department of Education's Joint Diffusion Review Panel for inclusion in the National Diffusion Network which will examine the projects' claims of cognitive and affective educational impact and consider the project for national dissemination. Project accomplishments which will be modeled include:

1. Effective participatory educational governance at the local level with special emphasis on parental imput into educational decision-making which has led educators and auditors to regard the local Title IV Indian Education Parent Committee as "The most involved, well informed and effective Parent Committee in the country".
2. An educationally sound approach to integration of culturally relevant and culture-based instruction and approaches within the framework of the regular instructional program while exposing Indian students to the larger culture and society and introducing the contributions of Indians to the American public classroom.
3. Maintenance of cultural identification and reinforcement as part of the total process of education.
4. Planning, piloting and demonstration of effective approaches to meeting the special educational needs unique to American Indian students.
5. Flexibility in programs and services to meet a wide range of special needs as opposed to the limited remedial focus of other educational programs and services for disadvantaged students such as:
    a. Individual and group counseling which annually serves approximately over 500 of the 6,000 students who have an identified need for these services;
    b. Tutorial classes which annually serve approximately 400 of the 6,000 plus Indian students with identified needs for tutorial assistance;
    c. After school classes in crafts, career orientation, and historical research which annually serves only 150-200 of the system's 9,000 Indian youth;

d. Test orientation designed to increase test taking skills for increased test scores which annually serves only 80 of the system's Indian students;

e. Field/Resource trips to combat rural and cultural isolation which annually serves 5,000 plus of the population;

f. Leadership training for youth development and increased awareness of opportunities serving approximately 80-100 students annually;

g. Special cultural awareness programs and presentations which reach abount 5,000 students each year;

h. Home visitations to encourage and foster better home-school communications and increased parental support for approximately 500 students each year;

i. Medical and Dental services for 600 plus students out of the 6,000 who have been identified as being in need of dental services and for whom these services are not provided and not available through other agencies or programs;

j. Special summer enrichment programs for 300 youth which broaden and enrich students' experiences beyond the regular classroom experience;

k. Development and piloting of a multi-media Indian studies curriculum which has integrated into the local social studies curriculum and will be proposed for state adoption for inclusion in the Scope of Study of the N. C. State Department of Public Instruction. This program annually reaches 2,000 plus students and materials have been disseminated to all State Regional Educational Centers and by request to school districts and teacher-training institutions across the nation;

l. Transportation for over 5,000 youth to activities and events which they would otherwise not be able to attend.

Historically Indians have been served as separate entities, and in view of economic restraints on state and local educational budgets, attitudes will not be quick to accept extensions of already limited budgets to adequately address a special population. After ten years of categorical programs, minorities will clash and create stressful situations which will greatly negate the progress which has been made. Such integration and fusion will require adequate time for appropriate and cooperative planning and coordination to avoid disruption of successful school programs and services.

Historically Indians have not shared in minority and disadvantaged programs because the Bureau of Indian Affiars is perceived as the delivery agent for all Indians. Those Indians who are ineligible——for Bureau services——off reservation, urban and rural and non-federally recognized——are grossly neglected and inadequately represented in proportion to their population when forced to compete with these programs. Consequently, competition for financial aid for higher education now available in Part B programs and through other sources would be too keen and non-productive without specific program set-asides or clarifying legislation to ensure eligibility of Indians for programs and services other than BIA.

Access of state delivery systems such as Adult Basic Education and High School Equivalency as provided for by Part C to Indian communities is practically non-existent, therefore, to expect states to develop new initiatives with less funds is unrealistic.

Title IV Indian Educatien Act programs as currently administered is an ideal model for ensuring participatory governance and ensures maximum benefits to American Indian and Alaskan Native students and adults without unnecessary levels of administration. The current administrative mode is in keeping with the concept of local decision-making and federal initiatives for the improvement of education, and in this case, fosters creativity and local level innovation in educational decision-making while maximizing opportunities for parental involvement and broad based community support for public education. Direct funding to local educational agencies places legal and financial responsibility at the local level and increases the demand for accountability at the local level while ensuring that the education of Indians receives priority and equitable treatment in total educational planning.

Given an opportunity to continue to demonstrate the ability to help guide and shape educational policy in the larger framework, American Indians and Alaskan Natives can and will maintain and sustain educational advancement.

## STATEMENT OF TIMOTHY LOVE, GOVERNOR, PENOBSCOT NATION OF MAINE

Good morning, Mr. Chairman. My name is Timothy Love and I am the Governor of the Penobscot Nation of Maine. On behalf of the Tribal Council and our members, I would like to thank you for the opportunity to testify today.

As You know, Penobscot was a party in the Maine Indian Claims Settlement Act, and we are also somewhat unique in that we were accorded Federal recognition fairly recently. We are currently in the process of developing our infrastructure and tribal services delivery mechanisms. As a result, the monies we receive (or fail to receive) from the Indian Health Service, the Office of Indian Education, and the Bureau of Indian Affairs has a major impact on our ability to accomplish these goals.

I would like to briefly address each of these budget areas in terms of their direct effects upon the Penobscot people.

Indian Health Service - The Penobscot Nation presently has a 638 contract with the Indian Health Service. Under the terms of this contract the Tribe receives funds to operate the IHS owned health clinic, the dental clinic, and all contract health care services. IHS budget cuts during the past two years have caused a drastic reduction in essential services. This is to a large extent the result of inadequate funding in the contract health care segment of our agreement. The Penobscot Nation has been informed by the Indian Health Service that we are only allowed to provide contract health care services to patients who require Priority One and Two Levels of services. In lay terms, this means that a person who requires elective surgery which is not necessary to preserve life or limb cannot receive contract health care dollars at this time. This provision has been in effect since April of 1982. Mr. Chairman, many of our people suffer from painful and debilitating problems such as cataracts, gall stones and kidney disorders. Many of these problems, if left unattended, result in far more serious health problems. Because the overwhelming majority of our tribal members do not have private health insurance or adequate personal finances to cover the costs of such surgery, they turn to the Tribe - the IHS contractor - for assistance. It is medically incorrect as well as extremely difficult for us to be placed in the position of saying no.

"Elective" surgery is not the only area of contract health services which suffers from a lack of adequate funding. We are also running very short on funds in the dental and optometry areas. Our dental clinic is staffed and equipped to handle dental surgery, periodontal or orthodontal procedures. Because the dental health segment of our contract health care budget is limited we have had to curtail virtually all such services in non-emergency situations.

In the optometry area, we are having problems finding funds for regular services such as eye exams for our school age children and glasses for our elderly and adult members. These budget cuts put the Tribe in the untenable position of having contracted to deliver these essential services and then running short of the funds which allow us to provide these services to tribal members. Mr. Chairman, we have tried to support programs of this type from tribal funds but our revenues are limited and our problems are compounded by such things as unreimbursed indirect costs, a problem which we will address a bit later.

This budgetary shortfall has the potential of becoming even worse if the Community Health Representatives program is shut down. Today the Penobscot Nation is down to two CHR's. Last year, we lost one as a result of budget cuts. These workers not only provide the best possible form of outreach services to our people, especially the elderly, but they have also been very effective in reducing the number of in-hospital stays. Our CHR's are well trained and highly respected by the medical community. Because of this, doctors are often willing to release a patient a few days earlier than usual if a CHR will be visiting and overseeing that patient's recovery. Thus, in-hospital days are reduced and money is saved. Under our present contract health care arrangements with the local hospital costs for an inpatient day are at minimum $250. Safe, early release of a patient with CHR oversight can save us as much as $750 per patient in-hospital stay. If this program is discontinued we have no doubt that our contract health care costs will not only rise significantly, but our members will not have the emotional comfort of recovering in their own homes. We therefore again ask that you review the track record of this program and its cost effectiveness.

Mr. Chairman, we are asking the Committee to review the impact that inadequate contract health care monies is having on all Indian tribes. Although the dollar amounts are going up with each appropriation, the truth is that such increases are not keeping pace with inflation and the delivery of services is being reduced each budget year.

There is one more area of the Indian Health Service budget which concerns us greatly. That is the zeroing out of all dollars for IHS water and sewer hookups to Indian housing units. The Penobscot Nation presently receives all of its new housing units under a grant from HUD. Because our program is relatively new, we are building homes in a number of areas on the reservation which are located at significant distances from present water and sewer systems. In the past, IHS had agreed to pay not only for the on-site hookup of systems but also for the cost of access lines. This is no longer the case. We have already had discussions with HUD officials and they indicate that they will pay for on-site systems but have no dollars available for the access lines. We are extremely concerned with the potentially devastating effects of this position on our housing program. There is simply no tribal money available to cover these costs.

The Tribe also feels that it is inappropriate for HUD to be requesting dollars from us to cover the costs of water and sewer hookups for housing units when at the same time we are informed by HUD that it plans to contract with the IHS to perform the actual work. Such a set of circumstances will only serve to increase costs and delay completion of the projects. In short, we ask that the Committee review the situation and again appropriate adequate funds to IHS to handle all of the water and sewer hookups and maintenance for HUD, BIA, and Tribally constructed units, including the access lines to these units.

TITLE IV INDIAN EDUCATION - The Tribe is also seriously concerned about the Administration's proposal to zero out the funding for the Title IV Indian Education Program. The Penobscot Nation runs three basic educational programs on the reservation: early childhood and pre-kindergarten; kindergarten and elementary school grades 1-6. The first program (early childhood and pre-kindergarten) receives its funding from JOM dollars and 874 funds. It has, in the past, also received a small grant from Title IV Part A to provide culturally relevant programs for these children. The same has been true for our kindergarten and elementary school programs, both of which receive the bulk of their financial support from the BIA. Due to recent budget cuts in Title IV we have lost this Part A funding and as a result we have been forced to eliminate almost all of our culturally oriented programs. For a tribe such Penobscot this is very difficult. Our tribal members are more concerned than ever that their children understand and take pride in their Indian heritage. Studies done by the BIA and various educational groups across the country point out that providing a culturally oriented education has proven effective in enhancing an Indian child's attitude toward education in general. With dollars being as tight as they are, the Tribe is simply not in the position to pick up the costs of such programs and we are fearful that the result will be just one more lost service.

In addition, while the Penobscot Nation has not yet reached the stage in our development where we are participating in all parts of Title IV, we do support the concept and the need for each of these programs.

BUREAU OF INDIAN AFFAIRS BUDGET - Although our own land claim has been successfully resolved to the benefit of all concerned, the Penobscot Nation joins with other tribes in opposing the cuts in the Trust Responsibilities budget, especially as it relates to the Statute of Limitations and other claims projects. Our past and present experience has shown us how difficult it is for a tribe to resolve a claim with the federal government and negotiate land and resource issues. Many Indian tribes are just beginning to realize their full potential as units of local government and land owners and we strongly feel that tribal goals can only be properly developed and reached when adequate legal assistance is available to them.

The Penobscot Nation is still very concerned about the inadequate levels of funding we are receiving for land management. Pursuant to the Maine Indian Claims Settlement Act, the amount of land we are responsible for has increased by thirty-fold. There is no BIA agency office in our area and we contract for all BIA services. Despite this increase we have seen no increase in our land management funds. We have testified on this issue before you for three years in a row. Last year the Senate Appropriations Committee placed language in the report accompanying the FY 1983 Interior Appropriations bill which acknowledged the situation we are in and directed the BIA to take action to help us with this trust responsibility. That language stated:

"The Committee directs that resources available to the Maine tribes be continued at a minimum of the fiscal year 1982 levels. If additional acreage is added to the Maine Reservations during fiscal year 1983, the Bureau is directed to make a proportionate increase of funds available to the tribes."

In spite of such defined Congressional intent we have not received any increase and have had $7,448.00 cut from our Real Estate Services budget and $56,300 cut from our Forestry budget. We have corresponded with the Bureau on this issue and we are awaiting a response.

We want to be responsible landholders and therefore urge this Committee to help us convince the BIA to provide adequate levels of support by ensuring sufficient Congressional funding to the BIA and again including report language directing the Bureau to make proportionate increases in our land management budget.

We also suggest the inclusion of report language directing the BIA to contract with the Penobscot Indian Nation in the other Natural Resource and Trust Responsibility areas where the BIA has heretofore refused to execute contracts with us.

We have had similar problems with the Bureau in the area of Economic Development. We were told by Richard Nephew of the Financial Affairs Division of the BIA Central Office that there are millions of dollars available to tribes for economic development in the areas of Loan Guarantees, Direct Loans, and Revolving Loans. Yet, everytime we have approached the Eastern Area Office about taking advantage of these programs we are told there is no money available.

A major concern of the Penobscot Indian Nation which we ask this Committee to look into and take action on is the problem all tribes are having in not being able to recover from the BIA negotiated indirect costs on contracts.

We have an indirect cost rate of 24% which has been approved by the Comptroller General. We negotiate contracts in good faith with the BIA which include indirects costs. Every year we are told that the Bureau ran out of money and will not be able to give us our previously negotiated indirect cost.

Mr. Chairman, we are going broke because the federal agencies are basically reneging on contracts we have negotiated with them. Can you imagine the outcry if the Defense Department refused to honor previously negotiated indirect cost rates in contracts with military contractors?

We are losing $130,000 a year and our deficit is rising year after year because we are not able to catch up. We are experiencing terrible deficits because we must pay off last year's debt as well as pick up the shortfall from the present contract year. We are looking at an accumulated deficit of $347,000. Because of this, we have had to place our administrative staff on a four day work week. This has led to various other problems, such as delays in processing. Although these problems are occurring because of the BIA, they are doing nothing to help us recover these monies which we are clearly owed. While the Bureau says it cannot pay us the funds it has previously agreed to pay us, we find it curious that the Eastern Area Office has somehow found the funds to increase its staffing levels.

Finally, Mr. Chairman, let me state in no uncertain terms that the Congress is making a mistake if it allows the Administration to go forward with its announced plan to transfer programs presently administered by the Administration for Native Americans (ANA in the Dept. of HHS) to the Bureau of Indian Affairs.

The efficient and successful manner in which ANA programs and funds are currently administered would be, if transferred to the BIA, subject to political pressures, top heavy administrative costs, and ultimately implemented in a manner at odds with the interest of the authorizing legislation.

ANA funds are vital to many tribes who use those monies as core funding for tribal governments. The combined loss of ANA programs and BIA indirect costs will inevitably lead to severe problems on many reservations.

The philosophy at ANA of Social and Economic Development Strategies (SEDS) simply will not survive at the BIA.

We urge you to oppose this transfer.

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## STATEMENT OF HARTLEY WHITE, CHAIRMAN, LEECH LAKE RESERVATION BUSINESS COMMITTEE

Mr. Chairman, members of the Appropriations Subcommittee for Interior and Related Agencies, my name is Hartley White. I am Chairman of the Leech Lake Reservation Business Committee. Our reservation is located in the midst of the towering pines and shimmering, fish-filled lakes of Northern Minnesota. It is among the largest and most populous of the Lakes States reservations.

Although we are lacking in resources which are high in monetary value -- coal, gas, oil, minerals, etc. -- we have managed to create a viable and functioning economy on our reservation during the past fifteen to twenty years. It is no accident that this period of economic evolution has coincided with the period during which the federal government, in recognition of the trust responsibility which it bears on behalf of the American people, has held out its hand in partnership and shared in the work of developing America's Indian reservations through the implementation of meaningful policies and programs.

It is difficult to overestimate the value of the progress which has been attained to date toward the ultimate shared goal of complete economic and governmental self-sufficiency for America's Indian reservations. It is also difficult to overestimate the tremendous contribution that budding reservation economies have made to the stabilization of the rural regions in which they are located. Private industry has been stimulated by the tribal/federal partnership for progress and has responded by creating jobs and opportunities in these rural areas at a steadily increasing rate, as has always been intended.

A thorough review of the budget and program revisions currently being proposed, however, strongly indicates that this tried and true tribal/federal partnership is now in jeopardy and, with it, the progress attained through twenty years of mutual planning and effort. This budget has been developed in a one-sided manner, without consultation, and represents a giant step in the continuing broad retreat from America's commitments and responsibilities to Indian tribes. The Administration continues to show its disdain for Indian people and the American Government's role as protector of the guaranteed rights and trust status that Indian tribes have always had with the United States of America. With this budget, the point has been passed where even minimal levels of support remain to ensure that there will be a future for Indian people.

The FY84 budget contains many examples of sleight of hand, the most typical of which is the one whereby zero dollars are requested for a given function in the Interior budget pending its proposed transfer to another agency where it is, most likely, contemplated for zero budgeting in FY85. Another is that of replacing line-item programs with block grants which have only discretionary budget status. The balance of our testimony will outline several leading examples of this chicanery and then make specific recommendations regarding several programs which are of great importance to the Leech Lake Reservation.

Economic Development and Self-Determination Programs -- the centerpiece of the Administration's Indian economic development efforts would appear to be the new $10 million program for the development of tribal resources in partnership with private industry. Under this program, 75% of the necessary capital investment would be provided from tribal and non-federal sources. This is clearly designed for the purpose of freeing up the valuable resources of the western tribes and to provide those tribes with a very minimal level of stimulus to exploit their resources as a junior partner to industrial giants. This is not economic development at all, but simple environmental exploitation for short-term profit.

What is needed are new programs which will provide for the development of reservation infrastructural systems in a job-intensive fashion. The need for a national effort in this direction grows more critical with each passing day, as reservation unemployment figures continue to soar at a rate which is six times the national average and still climbing.

Also critical to the future of our reservation is the continued support for the Self-Determination Grant Program. These grants have formed the backbone of our reservation development efforts by providing funds necessary for the planning support needed for the the expansion of reservation economies and governing capabilities. The Administration is requesting $19.3 million for this activity as they did last year, when the Senate recommended a $5 million cut and the Conference allowed $16.9 million. We recommend a FY 84 allocation of at least $20 million. We further recommend that these grants be awarded for the purposes specified in 25 CFR § 272.12 and not for the much narrower scope of activities specified in the Senate's FY83 appropriation language, which -- we feel -- represents a clear misunderstanding of the intent of the program.

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IHS Revenue Strategy -- over the past several years, additional monies have been brought into the coffers of the Indian Health Service through so-called "third party billings", that is, reimbursement from Medicare, Medicaid and private insurance companies for services rendered to patients covered by any such programs. The intent of Congress has been for funds thus collected to be earmarked for maintenance and repair projects which help to ensure that IHS health care facilities continue to meet accreditation standards.

Total third party billing revenue during FY83 will not exceed $15-20 million. Remarkably, the FY84 budget predicts that intensified collection efforts will increase these revenues to $70 million! This is voodoo revenue forecasting, plain and simple. Furthermore, these funds are not to be directed toward their intended purpose of renovating hospitals, but are going to be used as offset against the general revenues needed to finance the overall IHS budget. Clearly, this is the road to fiscal disaster and the Appropriations Committee should not allow such irresponsible actions to go unchallenged.

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HUD Indian Housing Proposals -- another case in point is the Administration's proposed transfer of all Indian housing-related activities to the Department of Housing and Urban Development, an agency for which Administration budget requests have been reduced by 80% since FY82, only two years ago. This is obviously not a safe place for our vital Indian housing programs.

We see similar actions throughout the budget, under the guise of "consolidation of programs", "Block Grants", "greater flexibility" and so on, but they all really mean just one thing -- much less help to Indians who really need the assistance that these programs offer. It is our position that all Indian programs should remain right where they are and -- emphatically -- that funding should be restored to (at least) FY83 levels. In particular, we are speaking of the IHS Well and Septic and Community Health Representative Programs. Both of these worthwhile programs are greatly needed on our reservation.

Indian Education -- it is obvious that our tribe cannot move forward if our children are unable to secure a quality education. The proposed budget attacks Indian education at all levels with callous disregard for our youth and their futures. Title IV Programs, which are a mainstay in public school systems throughout the country are scheduled for wholesale abandonment. Budget authorization is to be cut from FY83's $67 million to only $1 million for FY84. It is imperative that this funding be restored. Strong opposition to these actions could be expected from the Congressionally-mandated (PL92-318)

National Advisory Council on Indian Education (NACIE), but for the fact that it has been without a legal quorum since the President terminated all of its members on November 2, 1982(Election Day) and has since replaced only seven of the fifteen members. We feel that this is an extemely 'low road' tactic to silence opposition and that it is most unbecoming of the American government.

Another major item of concern is the limited monies available for the operation and maintenance of tribal contract school facilities. Leech Lake is in the process of constructing a new 35,000 S.F. facility and we are gravely concerned over the lack of adequate funds for maintaining it. We request that these funds be increased to levels which will ensure adequate performance.

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ANA Transfer to BIA — the Administration is proposing a transfer of the Administration for Native Americans (HHS) to the BIA, possibly as early as April 1983, reducing its funding level by $3.8 million in the process. We are certain that the end result of such a transfer will be an overall reduction in services to tribal government. ANA is a program which is vital to the continued development of our reservation and we wish to go on record firmly in opposition to this proposed transfer. In the unfortunate event that the transfer does take place, thus adding its budget to those considered by this Subcommittee, we would strongly recommend that its allocation for Financial Assistance Grants be marked up (at least) to its FY83 level of $26.3 million.

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Indian Child Welfare Act Grants -- authorized by P.L. 95-608, these grants are intended to enable tribes to carry out their governmental duties with regard to the welfare of Indian children and families in intervention situations. Positive action in this direction has been hampered by lack of funding. The Congress is to be commended for adding $2 million to the Administration request of $7.7 million in FY83. It appears, however, that the program will need greater front-end funding if meaningful progress is to be made. The Leech Lake Reservation has an unmet need of over $100,000 in this area and hereby requests funding at that level.

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Rights Protection Issues -- the protection of our precious waters and the maintenance of our highly successful conservation enforcement programs continue to be high priorities. BIA support has been very minimal in both areas. Documentation on file with the BIA identifies an unmet need in excess of $100,000 per year in these areas.

Perhaps the most important of the Rights Protection issues is the unresolved issue of Secretarial Transfers of allotted lands, a non-2415 type of claim of which several hundred cases remain unresolved on the Leech Lake Reservation. The tribe continues to favor a negotiated settlement, but is unable to move on the issue due to lack of staffing with which to address the problem. A three-year program totaling approximately $250,000 in budget obligation has been proposed and seems to be the most realistic approach to the situation. Funding for such a program is, therefore, requested.

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## STATEMENT OF VIRGINIA CANALES, CHAIRWOMAN, CONFEDERATED TRIBES OF THE CHEHALIS RESERVATION

The Chehalis Indian Tribe is a Federally-recognized, reservation based tribe. The Chehalis Reservation is located in southwestern Washington, approximately thirty miles southwest of Olympia, the state capitol. The reservation was established by Executive Order in 1864, and consists of 4,225 acres. The Chehalis River forms the southern boundary of the reservation, and the lower course and mouth of the Black River are located within the reservation.

The Members of the Chehalis Tribe have fished for salmon and steelhead in the Chehalis and Black Rivers for generations. Before they were prevented from doing so, they also fished in several other areas, especially up and down the entire Chehalis River system and in Grays Harbor. However, tribal members can fish commercially only within the reservation boundries. This is due to the fact that the Chehalis Tribe has never signed a tready with the United States. As a result, they were not included in the so-called "Boldt Decision," by which most of the fishing tribes in Washington State gained recognition of the right of Tribal members to fish off-reservation in their unsual and accustomed fishing grounds. At the present time, only the reservation fishery is recognized by the State of Washington.

However, our present concern is not with the recognition of off-reservation fishing rights, although the Tribe is actively pursuing such recognition for its members. Our purpose for being here is to request funding for a Fishies Services Program, similiar to the fisheries programs funded through the Bureau of Indian Affairs for other fishing tribes, for fisheries management, enforcement, and enhancement activities.

Specifically, we are requesting that Congress make a special appropriation for Fiscal Year 1984 of $614,736 in the Department of Interior budget, and that these funds be designated for the Chehalis Tribe Fisheries Service Program. (This amount includes $495,483 for direct program costs, and $119,253 for indirect expenses.) Furthermore, we are requesting that authorization be included for funding the program in subsequent years in the amount of $500,639. (This includes $389,722 for direct expenses, and $100,917 for indirect costs.)

The need for such a program on the Chehalis Reservation is quite evident. The need for both management and enhancement efforts have been documented in a special report prepared by the Olympia Fisheries Assistance Office, U.S. Fish and Wildlife Services, entitled "Status of Chehalis River Salmon and Steelhead Fisheries and Problems Affecting the Chehalis Tribe." As this report points out, many fisheries management decisions are being made on the basis of assumptions, rather than on biological data. This is especially true for chinook salmon which is a very important species to the Tribe because of its commercial and ceremonial value. The report goes on to describe the need for enhancement programs, especially for chinook, to rehabilitate salmon stocks native to the Chehalis River System.

That an enforcement program is needed also goes without saying. Promulgation of fishing regulations, even if based on adequate biological information, can have little effect if the Chehalis Tribe does not have the capacity to enforce the regulations. In the past, the Tribe has used a variety of funds to provide enforcement activities. But these funds, such as CETA, JOBS NOW,etc., have never been adequate enough to maintain an effective or continuous program.

In the absence of an adequate Tribal fisheries program, the State of Washington has attempted to assume management and enforcment activities for the Chehalis Reservation fishery. This has lead to considerable conflict between the Chehalis Tribe and the State of Washington, and is a situation that neither the tribe nor the state is very happy with. The Washington State Department of Fisheries (WDF) has, in fact, expressed the feeling that they would "much prefer to have some other appropriate tribal or Federal authority effectively enforce fishing conservation regulations on the Chehalis Reservation." (Letter from Frank Haw, Fisheries Operation Coordinator, WDF, to Virginia Canales, Chairwoman, Dec. 7, 1981.)

The lack of an adequate tribal fisheries service program does more, however, than just cause conflict between the state and the tribe. It results in a situation where there is inadequate protection of the native salmonid stocks in the Chehalis River System, and places these stocks in further jeopardy.

The Chehalis Tribe is not the only entity that recognizes the need for these funds. This need is recognized by both the Washington State Department of Fisheries and the U.S. Fish and Wildlife Services. Both of these agencies have written letters in support of this request by the Chehalis Tribe, in the hope that a satisfactory solution to these problems can be realized.

As mentioned previously, the Chehalis Tribe has attempted to provide enforcement activities, but the lack of adequate and consistent funding has precluded the development of a successful program. The Tribe has attempted to develop an enhancement program as well, but these efforts have also been hampered by inconsistent and inadequate funding.

The Chehalis Tribe does not have the financial resources to operate such a program on it own. The Tribe has virtually no independent income at the present time. Considerable time and effort are being spent in developing tribal enterprises that can help relieve this situation, but it is still too early for these enterprises to make any substantial contribution to tribal funds. It should be mentioned also that in considering the various alternatives for future economic activities, one of the best options available to the tribe is the development of its fisheries. This stems not only from the fact that this is the only natural resource available for development, but also from the fact that this is the most culturally-acceptable option available. Tribal members feel a deep attachment to the Chehalis

River, and to salmon fishing, undoubtedly because of the importance that this activity has had for so long a time. However, this makes the development a fisheries services program doubly important.

We have tried to obtain a contract from the Bureau of Indian Affairs for a Fisheries Service Program, but have been informed that funding is not availbale. In responding to our application, the Portland Area Office indicated that Congressionally appropriated funding for fisheries programs is allocated to the Bureau for specific treaty tribes for the purpose of continuing implementation of the Boldt decision. And, since the Chehalis Tribe is a non-treaty tribe and was not a party to the decision, it is not eligible for such funds. We are now asking that Congress appropriate these funds for the Chehalis Tribe.

As was mentioned previously the Chehalis Tribe is now attempting to obtain recognition of the right for Tribal members to fish off-Reservation in their usual and accustomed fishing grounds. We are hopeful that it will be possible to negotiate a settlement of this issue with the State of Washington. If necessary, however, the Tribe is prepared to enter litigation to resolve this situation. We mention this in order to point out that, if successful, the recognition of the right to fish off-reservation will substantially increase the need for a fisheries services program.

We would like to point out also that in making this request we are asking Congress to do no more for the Chehalis Tribe than it has done previously for other fishing tribes. The lack of a signed treaty does not diminish the need for adequate fisheries management, enforcement, or enhancement activities. Nor does it relieve the U.S. Government of its trust responsibilities with regard to the Chehalis Tribe.

Finally, it should be mentioned that if these funds are appropriated Congress will have made a significant contribution towards improved relations between the State of Washington and the Chehalis Tribe. Furthermore, the establishment of a successful fisheries services program on the Chehalis Reservation will lead eventually to improved salmonid runs in the Chehalis River System. This will benefit Indians and non-Indians alike.

## STATEMENT OF JOANN KAUFFMAN, EXECUTIVE DIRECTOR, SEATTLE INDIAN HEALTH BOARD

My name is Jo Ann Kauffman. I am an enrolled member of the Nez Perce Tribe of Idaho and the Executive Director of the Seattle Indian Health Board. The Seattle Indian Health Board is extremely concerned about the annual cuts to health and human services targeted toward urban Indian populations over the past three years. The Indian Health Service Urban Health program represents a very critical component to our health delivery system in Seattle. Elimination of urban health programs, as proposed in the President's budget, would devestate the lives of the Indian and Alaskan Native population in our area.

The Seattle Indian Health Board provides a wide range of primary health care services encompassing medical, dental, optometry, mental health counseling, inpatient and outpatient alcoholism treatment, health manpower trainging and recruitment and supportive outreach services. In 1982, the SIHB provided over 47,000 services and maintained a registered patient population of over 16,000 individuals, with an active user population of 8,500 for that year. For most of our patients, the SIHB is the primary source of health care.

The vast majority (75%) of our registered patients are Indian or Alaskan Native. IHS urban health represents 60% of our projected revenue for FY84. We have always and continue to maximize any and all resources at the local and state levels.

The assumption that urban Indians can tap alternate resources available to the general public in place of urban health funding is simply NOT VALID. We are experiencing a frontal attack against all programs designed to meet the needs of medically indigent people. Indians in urban areas are threatened by the elimination of ANA funding through the transfer of this program to the BIA.

Urban health is proposed for zero funding in FY84. The amount of funding for Seattle Community Health Centers was cut from five centers in 1981 at $4.3 million to only two projects at $1 million in 1982. The National Health Service Corps is retreating from it's commitment to place providers in health manpower shortage areas automatically designated to Indian populations by prioritizing Indians in it's lowest passible rating level. The Seattle-King County Health Department suffered a half million dollar cut in 1982, and expects similar cuts throughout 1983. Hill-Burton hospitals are now given the option to eliminate their medically indigent patient care policy in one year. With the growing unemployment rate, myriad of federal cutbacks targeted at the poor and stricter Medicaid eligibility requirement a tremendous burden is already being placed on this limited system. Realistic mechanisms are simply not in place to absorb an additional 16,000 patients by the elimination of the Seattle Indian Health Board.

SIHB services do not duplicate those which exist in the area. Rather, we compliment existing servies by providing access to those services for Indian people. Without the support of both the private and public health care sector, the continued operation of the SIHB would not have been possible. We are a vital link in the overall health care delivery system in the City of Seattle. SIHB maintains a multitude of formal and informal agreements with local community clinics, City and Cournty health departments, State Department of Social and Health Services, a number of local health related agencies and local hospitals. SIHB physicians maintain admitting privileges at five local hospitals. In many cases, our physicians also assume responsibility for patient care at these hospitals.

Many of the Indian people in Seattle were relocated here by the BIA's Relacation Program of the 1950's and 60's. It is estimated that over 160,000 Indians nationally were relocated to urban areas during this era. Recruited by the promise of job training and placement, most found little improvement from the reservation environment they left behind. Over 50% of our current adult patients are unemployed. Seventy-five percent have incomes at or below the federally established poverty levels. Cirrhosis of the liver is the second leading cause of death among puget sound Indians. Indian infant die at a rate 1.7 higher than the national average.

Indian people experience a very unique morbidity and mortality profile. The causes for Indian death and disease are much different than the general public. For example the following table compares the leading causes of death for puget sound Indians as compared to the rest of Washington State:

LEADING DAUSES OF DEATH (1975 - 1977)

| Indian Population[1] | Ranked for Total Population[2] |
|---|---|
| 1. Diseases of the Heart | 1. |
| 2. Cirrohsis of the liver | 7. |
| 3. Accidents | 4. |
| 4. Malignant Neoplasms | 2. |
| 5. Influenza and pneumonia | 5. |
| 6. Early infancy (except SIDS) | Not a leading cause |
| 7. Sudden infant death syndrome | Not a leading cause |
| 8. Alcoholism | Not a leading cause |
| 8. Suicide | 8. |
| 9. Cerebrovascular disease | 3. |
| 10. Homicide | Not a leading cause |

([1] DeRoin, MD, D.A., Amercian Indian Health, State of Washington, 1981 WAFP Journal, Volume VII 4, October, 1981)
([2] Washington State Department of Social and Health Services. Vital Statistics Summary 1975)

Clearly health resources geared toward the general public will never get around to dealing with the very special and very unique health problems of American Indians and Alaskan Natives. Health services which are culturally sensitive and targeted at the needs of Indian people are essential if the Indian health status is going to be significantly impacted.

The Seattle Indian Health Board has made tremendous strides in impacting the health care utilization patterns of our patients. We have provided services beyond the acute and emergent needs of our patients. Health maintenance, chronic care, well-baby exams, immunization, vision care, dental care, family planning, mental health counseling and alcoholism service visits have steadily increased. Services to prenatal patients alone, have increased 73% from 1980 to 1982.

We are embarking on the delivery of health promotion and disease prevention activities and moving closer to an improved health status. Yet, we have still not reached parity with the general population.

The national policy established by the Indian Health Care Improvement Act in 1976, states:

> "...Congress hereby declares that it is the policy of this Nation, in fulfillment of it's special responsibilities and legal obligation to the American Indian people, to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian health services with all resources necessary to effect that policy." (25 USC 1602)

To eliminate urban health programs such as the Seattle Indian Health Board will turn back the hands of time, the cost of which will be paid in human lives and human suffering.

We are asking this subcommittee to restore and increase the funding for urban Indian Health programs to $10 million for FY84. We are requesting the Indian Health Service receive adequate appropriations to carry out this Nation's plicy on Indian health and live up to it's commitment to improve Indian health status in the United States.

## STATEMENT OF THE CROW TRIBAL COUNCIL

Good afternoon Chairman McClure, it is a pleasure once again to appear before this committee and be allowed the opportunity to provide testimony on behalf of the Crow Tribe of Indians. This committee already has heard the tribe's testimony on budgetary matters as they affect tribal education. Today, I will focus my attention upon two separate but important issues facing the Crow Tribe. First, the long range planning of the Indian Health Service, where increased budgetary cutbacks may substantiaely affect the health care delivery system currently in place on the Crow Indian Reservation. And second, the need for Congress to fully support, both legislatively and through the appropriations process, the Crow Tribe's right to "Primacy" under the Surface Mining Control and Reclamation Act of 1977, which is administrated by the Office of Surface Mining within the Department of the Interior.

Before I address these issues specifically, however, I would like to provide the committee with a brief overview of the economic conditions facing the Crow Tribe today. As you know, the Crow Indian Reservation is located in southeastern Montana, encompassing 2.5 million acres of land with a resident Crow Indian population base of approximately 4700 people. A recent socio-economic study identified over 50% of the population as under the age of 20 years, and projected a doubling of the total population by the year 2000. During the best of times, our unemployment rate has been around 25%, however, with the winds of Reaganomics, our unemployment has risen to the unprecedented rate of 85%. The significant cutbacks in federally funded programs, and the general economic depression which has drastically affected our royalty payments for tribal government operations from our one coal producing mine in the Crow Ceded Strip have seriously impaired the Tribe's ability to take care of the basic needs of our people. Further proposed federal cutbacks in health care services and educational programs all point to an even more bleak future.

With this background in mind, I would like to address the disparity between the apparent intent of the recently announced administrative Indian Policy and the actuality of implementation through two examples - the Indian Health Service and the Office of Surface Mining. Allow me to quote from a recent memorandum from the White House, Office of the Press Secretary, dated January 24, 1983, and entitled, STATEMENT BY THE PRESIDENT "INDIAN POLICY":

> "This administration believes that responsibilities and resources should be restored to the governments which are closest to the people served, this philosophy applies not only to state and local governments, but also to federally recognized American Indian Tribes.....This administration honors the commitment this nation made in 1970 and 1975 (The Indian Self-Determination and Education Assistance Act) to strengthen tribal governments and lessen federal control over tribal governmental affairs....." end quote.

In the context of tribal self-determination, two issues are paramount to the Crow Tribe relating to the Indian Health Service. First, the Crow Tribe has had and active and progressive Tribal Health Board and Tribal Health Department, which have been funded through developmental appropriations directly stemming from the Indian Self-Determination Act of 1975. As we testified this time last year, the Crow Tribe, utilizing the legal mechanism of the self-determination act, successfully completed the construction of the Lodge Grass Clinic in 1982 and is pleased to announce that the clinic is fully functional at this time and is being utilized at 100% capacity. I also would like to add that, when the Crow Tribe first learned in 1979 that appropriations had been made available for the construction of the Lodge Grass Clinic, the need for construction was established by an IHS computer search for the "most in need" in the entire United States.

This brings us to our present budgetary dilemma. Not only are P.L. 93-638 developmental appropriations for Tribal Health Boards and Departments eliminated for the upcoming years, but also, long range health service cutbacks include the closing of the new Lodge Grass Clinic and the Pryor out-patient clinic which has been in place for over 15 years. We, at the Tribal level, are hard pressed to see the logic behind such proposed actions, since they would thwart all progress we have made in the last decade and would have devastating long term effects on the people for whom those services were made available for in the first place. We therefore request, that this committee specifically ask Dr. Rhodes, Director of Indian Health Service, upon cross examination when Indian Health Service brings forth their budgets for your scrutiny, exactly what the Billings Area Office of Indian Health Service intends to do with our new Lodge Grass Clinic and Pryor Clinic in the upcoming years. We also go on record as opposing any cutbacks in P.L.93-638 Tribal Health Board and Department development programs, the elimination of which would be in opposition to President Reagan's Indian Policy of Self-Determination.

I would like to turn my attention now to the matter of the Surface Mining Control and Reclamation Act of 1977 and the urgent need for Congress to amend the Act as required by Section 710 (a) and (b) of the Act entitled "Indian Lands":

> "(a.) The Secretary is directed to study the question of the regulation of surface mining on Indian Lands which will achieve the purpose of the Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian Tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full

regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian Lands.

(b.) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian Tribe which would be affected shall be submitted to Congress as soon as possible but not later than January 1,1978. (emphasis added)."

It is now February in the year of 1983, and the Secretary of the Interior has not brought forth the required legislation necessary for Tribes to obtain a status equal to the States, through recognition of "Tribal Primacy" under this law. The Crow Tribe passed and approved the Crow Reclamation Code in October of 1980 and since has attempted to develop its regulatory program. The Crow Tribe, in cooperation with the Office of Surface Mining, however, has been forced to proceed in an ad hoc manner toward the development of a complete regulatory program under Title V of the Act and and Abandoned Mine Lands Program under Title IV of the Act, given the lack of full regulatory jurisdiction and adequate authorizing appropriations to enable the realization of the full and recognized authority of the Crow Tribe. It is the Tribe's understanding that the Secretary of the Interior will bring forth legislative recommendations for Indian Lands sometime this year. We strongly urge the Congress to amend the Surface Mining Control and Reclamation Act of 1977, according to the recommendations of the Crow Tribe which are a matter of public record. Furthermore, we urge the Congress to appropriate no less then $450,000 in funding for the Crow Tribe for FY 1983-84 for the further development of its regulatory capabilities until "710" legislation can be enacted. In closing, we wish to stress that the capability of the Crow Tribe to regulate and manage its vast coal resources will translate directly into the kind of Tribal Self-Determination for the Crow Tribe which the Reagan Administration is committed to support.

## STATEMENT OF CONNIE MCCLOUD, COUNCILWOMAN AND HEALTH COORDINATOR, PUYALLUP TRIBE OF INDIANS

My name is Connie McCloud and I serve as Councilwoman and Health Education Coordinator for the Puyallup Tribe of Indians. Herein, you will find the testimony developed for both the House and Senate Appropriation Committee Members. Our Tribe is basically in support of the testimony given by the Portland Area Indian Health Board and the National Congress of American Indians regarding Education issues during these open hearings.

Primarily through a 638 self-determination contract with the Bureau of Indian Affairs, the Puyallup Tribe operates a school system that successfully educates over 200 Native American children in grades pre-school through 12. The proposed F.Y. 84 budget in Indian Education seriously jeopardizes the integrity of our Tribe's education program in the following manner:

### I. Proposed Elimination of Pre-School

Consistent with the Bureau of Indian Affair's focus on prevention versus remediation in education programs, the Puyallup Tribe's pre-school program has functioned on that premise since its inception in 1975. A comparison of Fall '82 standardized test scores indicates the positive effect of prevention through a sound pre-school program. Kindergartners that attended our pre-school last year scored an average of 9 percentile points higher than children having no pre-school experience prior to entering school. This effect continues to be evidenced as the children progress through the education program. Children that attended our pre-school program in F.Y. '79 and F.Y. '80 perform significantly higher, on the average, in their current grade level compared to the average performance of students that did not have such advantage. Standardized test results reveal that children in the 2nd and 3rd grade score an average of one-half grade equivalency higher with the pre-school training prior to entrance into the regular curriculum than students that did not have that early education.

The Puyallup Tribal School System is one of 13 pre-school programs funded through a B.I.A. contract. The Puyallup Tribe receives no Head Start funds or any other revenue except minimal Tribal contributions and local fund raising efforts to operate a program educating an average of 45 children per year. The positive effects of the culturally oriented Montessori pre-school continues to be evidenced by the growing waiting list each year. The program justifies expansion, not elimination, in order to meet the needs of our children; such programs are unaffordable to low economic communities.

The proposed elimination of pre-school programs would perpetuate a situation of education deprivation for our Native American children and promote education programs designed to remediate concentrating on an up-hill struggle to reach children performing 2 and 3 years below grade level. Early childhood education is imperative in the development of positive self-images, providing growth in social development, increasing educational experiences prior to entrance into the regular school program, promoting reading readiness skills, and, in general, providing a strong foundation for the education in the years ahead. We ask your support in continuing the funding of the pre-school programs and, if possible, expand the funding level.

## II. Proposed Elimination of Title IV Funds

The Puyallup Tribal School System currently receives Title IV Entitlement that funds four Native American teacher aides and approximately $1,000 for supplies and materials. This supplemental program provides essential services that would otherwise not be available to our children due to extremely tight funding constraints with our 638 contract. This small program enhances our education programs by:

lowering the teacher/student ratio and allowing for increased individualization geared at meeting the special needs of our Native American children, providing Native American staff to bridge cultural differences that may exist between the non-Indian teacher and the child and to serve as a positive role model, providing para-professional counseling services sensitive to the Native American child, and promoting positive communication links with the Indian community. The loss of such a program would seriously affect our program and add further strain on a system that strives to provide a quality education to meet the unique needs of Native American children.

The Puyallup Tribe also recognizes the importance of maintaining such programs in the public school sector. In November of 1980, the Education Commission of the States published a report entitled: INDIAN EDUCATION--PROBLEMS IN NEED OF RESOLUTION. This report stressed the need for increased awareness of and programs relating to the special needs of Native American children. The Title IV programs in the public schools are small--too small--to meet all of the needs; however, they do enhance the education process by providing services such as tutorial assistance, counseling sensitive to the Indian child, and self-esteem building--essential elements to education progression and promotion of self-sufficiency in a competitive society.

## III. Proposed Reduction in School Board Training

School Board Training is an on-going need that requires considerably more than the proposed development of a standardized manual. It is imperative that School Board training include the continual changes in funding requirements, contract requirements, legislative changes . . . in order to remain current on education issues and trends that would allow the Board to make sound policy decisions regarding the budget, focus of the education program, and prioritizing educational needs.

## IV. Other Issues of Concern

The F.Y. '84 budget proposes more programs to be operated in terms of state-centered block grants. A survey of education and government officials in Alaska, Minnesota, Montana, Oklahoma, and South Dakota found:

> . . . lack of Indian involvement in public school decision making, lack of Indian related curriculum, lack of Indian teachers and administrators, inadequate training for teachers of Indian students, inadequate needs assessments and program evaluations of programs serving Indian students, and Indian education a low priority for state legislators.

The Puyallup Tribe voices concern for the educational opportunities that may not be available for our children with a growing state-centered block grant concept.

ISEP funding levels for contract schools continue not to make allowances for a food services program, separate funding for the administration of school systems, and do not allow for sufficient funds to cover all transportation costs that vary with the geographical location of schools.

Please give our oral testimony regarding education issues and the following written testimony regarding health issues due consideration as it is basically consistent with the "President's Indian Policy released on January 24, 1983, and his speech to the National Congress of American Indians during the January convention."

When the Indian Self-Determination and Education Assistance Act (PL 93-638) opened the way for Indian Tribes to develop and manage their own health programs, the Puyallup Tribe, in 1976, took advantage of this opportunity by becoming the first direct health care "638" project in the Nation. In the six years pursuant to this legislation, the now called Puyallup Tribal Health Authority has become a comprehensive health and human services delivery agency, not unlike many city/county health departments, providing critical services to the Indian population of Tacoma and Pierce county.

## Present Status

By 1979 when the Tribal Specific Health Plan was prepared, the Indian community clinic was serving an identified client population of approximately 5,500 individuals. The more up-to-date 1980 U.S. Census identified an Indian population in Pierce County as approximately 6,000 individuals. At the end of 1982 the total registered client population had grown to in excess of 8,000 representing 145 tribes. In FY '82 the Health Authority realized an overall 10% increase in IHS funded client services (medical, dental, alcohol). This was, in part, due to increased efficiency and increased demand for services. Over FY '82 this increase took place in spite of a reduction in clinic hours promulgated by budget restraints. During the time period from 1981 to present the Health Authority has reduced its work force by approximately 22% in order to concentrate on priority services. In addition, Health Authority staff have not received a salary increase or even a cost of living increase for a period of three years. Extremely low level appropriation increases for cost of living have been eaten up by inflationary costs for service provision.

## Recommendations

The Puyallup Tribal Health Authority is well aware of Congress' concerns about the large federal deficit and the great difficulties your committee will encounter in deciding on appropriation levels. It is not our wish to increase your burden by making unreasonable requests but to encourage you to make more informed and rational decisions in the disbursement process.

With the limited resources available, it is time to take a critical look at the line item budgetary process of increasing here and decreasing there. Some bold steps are warranted and it is suggested that an overall philosophy be adhered to in making these difficult steps.

With the emphasis on self-governance, government decentralization and deregulation a serious look ought to be taken at the possibility of block grant funding to 638 health programs. Without a yearly increase in our own overall health service budget, we are now experiencing difficulty in recruiting and sustaining the health care professionals that we rely on for the provision of health services. This decline in ability to provide services was not the intent of 638 legislation. Your committee may consider instituting some block grant funding to 638 health programs. Since the Puyallup Tribal Health Authority was the first 638 program in the Nation, we would be a likely candidate to test this process. With the closure of the Seattle Public Health Hospital and the threat of closure of the Seattle Urban Indian project, significant and frightening demands will be made on our own reservation program. We will require your assistance in helping us meet this demand.

Additionally, the emphasis by your committee on reliance of increased medicare and medicaid reimbursements seem unrealistic as far as Washington State is concerned. We, in this state, are experiencing a significant decrease in allowable billing. Since this unprecedented move co incorporate medicare/medicaid and other third party reimbursements into the IHS budget means a significant decrease in appropriations, we severely criticize the committment of these funds in this manner. We need to rely on these funds for outdated and insufficient facilities and equipment.

Contract Health Services

The contract health care appropriation should be increased to an adequate level to make services available to Indians before health conditions reach an urgent and emergent stage. This restriction, which has been enforced for the past two years, presents a life-endangering situation for Indians. Preventive health care programs have been limited. This forces us to plan on the reliance of strong intermediate services or be forced to wait until health conditions are serious enough to constitute an emergency. The whole philosophy behind the creation of the Indian Health Service was to ensure that Indians receive adequate health care. Adequate funds must be appropriated so that IHS can fulfill its mission. Since Congress is also advocating a decrease in preventive services, the individual health care program that cares for an Indian service population has no vehicle to assist a population in decreasing the use of urgent or emergent care. The actions of Congress are placing the health care delivery unit in a double bind—the inability to work extensively on prevention to decrease urgent or emergent care yet at the same time increasing the barriers to intermediate and tertiary care.

Equity Funds

Tribal Specific Health Plans were developed and completed by tribes in 1979 in good faith. The intent of this whole planning process was to discern the specific unmet health needs of each tribe and give Congress a tool with which to determine adequate funding levels for FY '81 -'84. Tribal levels of unmet needs were divided into five categories with a percentage assigned to each category. In FY '81 Level V Tribes received Equity funding. In FY '82 Level IV Tribes were picked up. It was our understanding that by 1984 all tribes who completed this process were to be at Level I or 0% unmet needs. Levels III, II, and I have not received equity funding to date. Congress should appropriate funds to complete the intent of this planning process. Otherwise there will have been two years of time and money wasted on development of Tribal Specific Health Plans.

## Urban Health Projects

Our tribal health and social service operations are located in a county adjacent to the county in which the Seattle Indian Health Board is located. Our clinics (medical and dental) have already begun noticing an increase in our client load as a result of the decreases in funding that the Seattle Indian Health Board has experienced in the past two years. Seattle Indian Health Board has phased out or phased down many of their program services. Should the Seattle Indian Health Board be de-funded in FY '84 as an urban project, we could not even begin to meet the demand for services that this would create for our own clinics. Seattle has a large urban Indian population (1980 census: 12,437) which we could not absorb nor should the non-Indian community clinics in Seattle be expected to absorb. Our own service population should not have to experience a decrease in services because of this overflow. We urge Congress to continue funding for the Seattle Indian Health Board as an urban Indian program or increase our tribal 638 funding to a level which would enable us to accommodate the residual effects of congressional decision.

## Indian Health Services Administration

Portland Area Office - Indian Health Service is abundantly staffed with a multitude of people who do not deliver direct services. In FY '82, medicare/medicaid reimbursements were used to make up for area budget deficits. We recommend that IHS be given reduction-in-force authority to enable them to get rid of some of the "dead weight". We expect that with this action, more money would rightfully be freed-up for tribal use and less for administrative costs. If this is not done, we will necessarily need to advocate direct block grant funding to our tribal health care service. This is in keeping with the White House philosophy of self-governance and decentralization by government.

## Health Careers/Health Professions

Recruitment into health professions is a worthwhile endeavor with potential for long-lasting impact on Indian health programs. It is our opinion that Indian people are best served by Indian health professionals. We ask that Congress show support for activities which enhance the Indian work force in this area. Scholarships should not be limited to the nursing profession only. More attention needs to be paid to the problem of recruiting, sustaining, and supporting the minority student population for the expressed purpose of decreasing the barriers posed by the majority educational system.

## Facilities

The facilities which house our health care services are totally inadequate. With no funds available for facilities construction we have no way of alleviating this problem. Our overcrowded, temporary facilities add to inefficiency and contribute to decreased quality of service. In order to meet the Joint Commission on Hospital Accreditation for ambulatory care facilities we require planning and construction monies to meet nationally recognized standards of care. Without these appropriations we will continue to provide care unequal to care received in the larger community.

Reimbursement

It is our stance that program income generated by our services be directly channeled back to our operation for the improvement and expansion of our own programs and facilities. We should not be expected to condone reallocation of our generated income for the benefit of other IHS health service programs within our own area or to support the IHS area administrative structure as is presently happening.

Conclusion

We have presented brief testimony covering some specific concerns which effect our own health care service. We encourage you to seek additional information and to work with us in maintaining and improving our health care service for our Indian population.

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## STATEMENT OF THE YAKIMA TRIBAL COUNCIL, CONFEDERATED TRIBES AND BANDS

The Yakima Indian Nation, a land based, treaty tribe, is located in south central state of Washington, comprising of approximately 1.3 million acres, with a Tribal enrollment of 7014 members. We appreciate the opportunity to appear before you with our concerns. Basically, we want to address the Indian Health Service budget and the Bureau of Indian Affairs budget, as they pertain to the Yakima Indian Reservation.

INDIAN HEALTH SERVICE

The Indian Health Service represents a vital service to our Indian people. We, as Tribal leaders, are alarmed, because, of some recent activities, and some projected activities contained within the President's budget.

1. During the past year, direct services provided by the Indian Health Service within the Yakima Service Unit were reduced as a result of hiring freezes and budget restrictions within the Portland Area Indian Health Service. Key positions, including a nursing, environmental health, and medical records positions, which became vacant as a result of retirement and resignation have not been filled. In addition, hiring restrictions imposed on the Area Office operation have resulted in assignment of Area responsibilities to Yakima Service Unit personnel in the nursing and environmental health programs, further reducing services available to Indian People served. Reductions in the direct program base as proposed by the Administration can only result in eliminating direct clinical care positions; there are no other sources of funds available at the Yakima Service Unit level. Therefore it will not be possible to maintain the same (reduced) level of health services in F.Y. 1984 as projected in F.Y. 1983

2. Elimination of the Community Health Representative (C.H.R.) program of the Yakima Nation will not only reduce present services but in fact will eliminate key clinical and preventive health services. The Yakima C.H.R. program supported by other Tribal resources in many instances provides services that should but are not provided by the Indian Health Service. These include home health nursing care which has helped in reducing hospital stays; pre-natal and post-partum care that has accounted for reduction in infant and maternal mortality; health maintenance and preventive health care for children that has seen the immunization rate maintained above 90% for the past two years. The C.H.R. program has assumed a major role in identifying and obtaining alternate resources for health care resulting in a 37% alternate resource utilization in the Contract Health Service program. Therefore, elimination of the C.H.R. program on the Yakima Reservation will eliminate critical health care components that cannot be maintained through the Indian Health Service or any other source.

3. The Yakima Nation is particularly concerned about the Administrations proposed increased use of Medicare/Medicaid and third-party collections; not only in the increased budget dependence upon the reimbursements for key programs, but requiring collection of private insurance. The latter directly affects the Yakima Nation and its self-insured Tribal employees health insurance program. A major reason for the establishment of health insurance program was to supplement limited I.H.S. direct and contract health service programs. Under the Administration's

proposal, the Yakima Nation, as an insurance agent, will be directly subsidizing the Indian Health Service; this certainly would be a dis-incentive to continue the Tribal health insurance program. Actually, any eligible Indian person with private health insurance will ultimately be "paying" for Indian Health Services. The Yakima Nation also questions the ability of the Indian Health Service to more than triple reimbursements while reducing staff available at the Clinic to process collections. It appears however, that failure to realize projected reimbursements will only further reduce services to Indian people since a large amount of the reimbursement is included as part of the base budget.

4. The impact of eliminating the PL-86-121, Sanitation Facilities Construction Program on the Yakima Reservation would be disastrous in terms of the continued elevation of the health of the Yakima people. The health improvement of the Indian people over the last two decades has been substantially due to the reduction of the enteric, and other water and sewage related, diseases. While great strides have been made, the general level of health of the Indian people remains well below that of the population as a whole. In terms of the numerical need on the Yakima Reservation, there are some forty (40) substandard dwellings requiring full replacement, including water and sewage disposal facilities! There are also some thirty (30) dwellings in need of more minor physical rehabilitation but requiring full replacement of the water and sewage disposal facilities. Additionally, it is estimated that some one hundred and ten (110) requests will be on the FY-84 Facilities Construction Participant list. This list contains those Indians who are seeking funding via the Tribal loan mechanism, or other funding sources. The additional cost of approximately $6,000.00 per home serves to eliminate many from qualifying, primarily due to the low annual income of reservation residents. At the current levels of funding of construction, under PL-86-121, there will be approximately a three year backlog based on the Facilities Construction list alone. It is very apparent, based on these figures, that if the march toward an improved health standard for the Indian people is to be continued, the basic program of constructing water and sewage disposal facilities must continue.

5. In previous years testimony, I have identified and documented the need for a replacement ambulatory care facility on the Yakima Reservation. The need for a replacement facility has been identified as a high priority (number 6). The present facility cannot meet basic facility standards of the Joint Commission of Accreditation (J.C.A.H.), College of American Pathologists, and fire and safety codes. These deficiencies cannot be corrected through use of reimbursement funds from Medicaid collections. Recognizing the need for a new facility, the Yakima Nation has completed the planning document following I.H.S. guidelines for new facility construction. However, reduction of Indian Health Facility construction this year and elimination of all new construction in FY-84 disrupts the orderly planning process established by I.H.S. and delays the provision of quality and safe health services at the Yakima Service Unit.

6. In concluding our concerns and requests on the Indian Health Service, we have three additional requests: (1) We request your support on reauthorization of PL-94-437, The Indian Health Care Improvement Act, (2) We request that your committee or the appropriate committee that has jurisdiction, to conduct thorough oversight hearings on eligibility for direct care services and contract care services within the Indian Health Service; (3) and we support the concept of transforming the position of Director, Indian Health Service, to Assistant Secretary level within the Department of Health, Human Services.

BUREAU OF INDIAN AFFAIRS

As you know, the Bureau's commitment to the Yakima Indian Nation and other tribes is emphasizing greater and improved tribal self-determination with a greater role in allocating financial resources and flexibility in meeting our needs on the Yakima Reservation.

In most regards, we do agree with this general statement and support the Bureau of Indian Affairs. However, we do have some concerns that we feel should be brought to your attention in the proposed F.Y. 1984 budget as it relates to the Bureau's mission founded on trust responsibility and the special relationship between the U. S. Government and the Indian tribes.

Upon reviewing the F.Y. 1984 tentative budget the Yakima Agency is scheduled to take a reduction of 32 full-time positions or FTE's. We feel that the current process of counseling or "process of consultation" does not warrant enought time for the Yakima Indian Nation or other tribes to understand the process and have good sound tribal input to make decisions on where the cuts or proposed cuts will take place. We would like to be able to coordinate and have a say in the decision making before the budget and proposed reduction is made at the Portland Area Office.

We understand the Bureau is now in the process of working on the F.Y. 1985 budget and must have the budget Agency package back to Portland Area Office the first week in April and we have not even seen the documents. This is our concern in the "consultation" process. We need to be in a better position to protect our interests to the Indian community, improve staff capability and funding at the local level.

Because of the recession and serious impact on our reservation, we have had a tremendous reduction in tribal income in F.Y. 1983 and the anticipated income in F.Y. 1984 will be reduced another 50% thereby increasing our dependency on Bureau involvement in carrying out their trust responsibility.

In the proposed F.Y. 1984 Agency budget the Credit Department position and funds identified in prior years has been eliminated. We feel that the action recommended by the Agency budget does not reflect what the Tribe input was at the Agency level. We would like to be able to add this position back in the Agency budget along with the funds to operate and maintain this viable program.

Another concern of the Yakima Indian Nation is the Branch of Forestry for the Yakima Agency. In the F.Y. 1983 Agency budget at the current level of 100% funding level, there is identified a reduction of 22 full-time positions which we feel will have a serious impact on our Indian forest in the area of trust responsibility and fire protection. With this reduction, we feel the Bureau will not be in a position of providing the government's trust responsibility for prudent management of our forest area. I understand that the Bureau in F.Y. 1983 has received a reduction of funds in the Forestry Unbanded program and the Yakima Agency proposed share in the reduction is $163,900 which will mean a cut back on the timber sales program and a reduction of management planning efforts which we can ill afford at the Agency level. We have no input in these type of reductions and feel the system is unfair to the Indian tribes especially as it relates to our forest lands and the Government's trust responsibility.

Does this current Administration policy of "Indian Self-Determination" mean Indian self-termination by contracting more and more programs to the Tribes thereby reducing Bureau staff and reduction of budget mean we are slowly turning the noose on our necks? We look at the future and we feel that if we are not in a position to strengthen our Tribal Government now and have input and meaningful input in this budget planning cycle, we will become the loser in the long run.

We still have other concerns that we would like to be specific on and that is in the area of Education and the Branch of Roads. In Fiscal Year 1982 we had three positions at the Agency in the Branch of Education. In F.Y. 1983, we contracted all of the Education Programs and the Agency Educational program staff was eliminated, either by transferring, retiring or by reduction in force. We still need technical assistance at the Agency and do not have any educational staff to provide this technical assistance at the Agency level. We would like to use the Inter-governmental Personnel Act process to obtain a Bureau employee to provide this technical assistance until we are in a position to fully conform to all the rules and guidelines set forth by P.L. 93-638.

In the proposed F.Y. 1984 Agency budget, the Yakima Agency Roads Department is scheduled to take a reduction from 18 positions to 11, a result of a loss of 7 positions which will have an impact in the Agency work plan of maintaining the Reservation roads in the area of cut back mowing, brush removal, gravel replacement and so on. Not only will the reduction of positions but less funds will mean we cannot purchase any equipment that is needed to maintain our roads on the reservation.

The last concern expressed in this testimony is the fate of the Yakima Indian Nation Fishery Management Program, a program designed for protection and enhancement of on reservation fisheries. This program has never been properly included in Bureau of Indian Affairs banded funds. We are of the opinion that this is a result of a continuing budget oversight by the Bureau and should be treated as such and rectified for F.Y. 1983 and succeeding years. In F.Y. 1982 the program was funded through discretionary funds of the BIA. F.Y. 1983 funds for a continuation of this program have been virtually eliminated, resulting in a shutdown of this program designed to protect our most fundamental treaty secured fishing rights in the Yakima and Klickitat River Basins. (Both of these fisheries occurring within or closely contiguous to reservation boundaries.) Inclusion of banded funding for F.Y. 1984 and succeeding years is necessary to continue this program. The funds required here should be included within the trust responsibility - rights protection portion of the Bureau budget.

In summary we desire to have more input in a·timely manner on many important issues that effect the tribe and the trust responsibility of the U. S. Government, namely the Bureau of Indian Affairs. We cannot under emphasize the Agency request for at least 100% funding, and a return of all of the full-time positions we had in F.Y. 1983, which was 138. We also urge the inclusion of the Yakima Indian Agency Fisheries Program in the F.Y. 1984 and continuing in successive years as a banded program.

## STATEMENT OF LIONEL BOYER, VICE CHAIRMAN, SHOSHONE-BANNOCK TRIBES

Good afternoon, my name is Lionel Boyer, Vice Chairman of the Shoshone-Bannock Tribes, Fort Hall, Idaho. I am giving testimony on behalf of the Tribal Education Committee and the Shoshone-Bannock Tribes. My tribe, the Shoshone-Bannocks number over 3,071. Our reservation is located in southeastern Idaho with a reservation acreage of 534,250.

Mr. Chairman and members of the Sub-Committee, I appreciate the opportunity to appear before you today to seek your assistance in continuing vital education programs and services to the members of my Tribe, and other federally-recognized tribes. The cut-backs in the BIA funding as contemplated by the administration for Fiscal Year '84 are alarming.

Our Tribe is concerned about the protection of our Trust Relationship with the federal government(which emanates from the sovereign status established by our Treaty of 1868). Basic to this concern is the role of the BIA as the agency vested with responsibility of satisfying that Trust Relationship. By law Indian Tribes are recognized as sovereign entities, separate and distinct from the States. The present administration proposes to diminish Indian education funds but, education is explicitly mentioned as an article in our Treaty and it is a Trust Responsibility.

Acting in a spirit of self-determination our Tribe promoted a variety of community education programs that were funded by the BIA and contracted to our Tribe for management of the operation. We have our own library, learning lab, media center, head-start program, office occupations class and many other educational programs on the reservation.

We operate our own Tribal School and at one time we were attempting to acquire our own high school but this project wasn't funded. However, we do have our tribal school for those students who are unable to conform to the normal, public school system. Furthermore, the school was established because of a large drop-out rate of our students that attended the public schools off of the reservation.

We are having positive feed-back in our school. The students are learning subjects needed in their future endeavors to survive. Our teachers are sympathetic and competent, our all-Indian school board is concerned and committed. The teacher/student ratio is lower than in the public schools meaning the teachers work on a one-to-one basis with the students. The self-esteem of our students has improved since we have more Indian role models in our school.

Trust Responsibility=Education and Social Programs:
President Reagan vetoed S. 2623-The Tribally-Controlled Community College Assistance Act of 1978 on January 4, 1983 and HR 7336-Amend-

ments of the Education Consolidation and Improvement Act of 1981 on January 12, 1983 on the grounds that "it could establish a highly undesirable precedent for making all Indian social service programs a part of the Federal Government's very general trust responsibility". President Reagan, in his January 24, 1983 Indian Policy statement has abruptly and arbitrarily limited the trust responsibility to the physical and financial resources of the Tribes.

The United States Constitution, U.S. Supreme Court decisions, Treaties, Federal Statutes, Executive Orders, and Congressional Declarations such as those contained in P.L. 93-638(the Indian Self-Determination and Education Assistance Act), the Snyder Act of 1921, 25 U.S.C. Sec.13, and P.L. 95-608(the Indian Child Welfare Act), all affirm the principal that the Federal Government has both explicitly and implicitly acknowledged that there is a Federal trust responsibility to Indian education and social programs.

## Program Management and Reorganization of BIA

In addition to the mandated formula for school operations, the self-imposed BIA administrative formula developed for FY '80 has caused problems in inequitable application of basic funding units which generates the dollars. Not taken into consideration were the differences in regional areas, numbers of tribes and geography and different staff duties.

We believe that everyone is concerned about accountability. The local BIA education office is responsible for monitoring all of the 93-638 contracts. We have one education specialist left and one secretary to handle all education matters at our agency. Higher education, technical assistance, Johnson O'Malley, tribal school contract, Title I, Title IV ESEA, handicapped are some of the responsibilities of the staff. At one time we had two education specialists and one secretary. We are opposed to attempts at reducing the civil service staff at the local agency where they are needed the most.

## Indian School Equalization Formula and Element 10 and 14

When Title XI of P.L. 95-561 was passed in 1978, a mandated formula was established for school operations commonly referred to as the Indian School Equalization formula. With the phase-in of this formula existing education programs funded under P.L. 93-638 were phased out. Some of these education contracts were previously funded in Element 10 because of the definition used by the BIA. Element 10 was the only element in education that could be used for a total broad spectrum of education without a life-time barrier.

Even though Intermountain Indian School had a large vocational educational program at the time the formula was phased-in, this was not considered in the I.S.E.P. formula. Other existing education programs were not involved in the formula at that time, exclusion from the formula meant a phase-out of a number of staff and programs at Intermountain.

Problems created from the phase-in of I.S.E.P. in 1979 have never been corrected and are compounded as time goes on. Standards were to have been in place a year after the law, P.L. 95-561 was passed. To this date the standards have not been implemented.

Contracts formerly in Element 10 and 14 should be restored or otherwise made available for FY '84. This restoration or remedial action should not and must not come about at the expense of the operation of other 93-638 contracts in education or at the expense of the other education services provided to Tribes from the BIA's education budget. BIA must be directed to create a specific new line item for 93-638 education contracts and for their administration for FY '84.

## Restoring JOM Funds to Tribal Contract Schools in FY '84

BIA funding for two of our education contracts were discontinued for the FY '82. The first refers to JOM funds removed from Tribal Contract schools. In the conference report dated November 15, 1981, "these schools are funded under the Indian School Equilization Formula, and are also eligible to receive grants under the Department of Education's Indian education programs." This is an accurate deduction. However, it must be pointed out that the public schools also receive grants under the DOE's Indian Education Program. The formula, commonly called ISEP by which Triballycontrolled contract schools receive funds, provides for a basic education program. It can be easily compared to a State's contribution to public school districts. From this basic funding, the following services must be provided: direct instruction, administration, public personnel services, food services, etc. JOM funds are then utilized to provide supplementary services over and above what the base program can provide. Our Tribal school does not receive PL. 874 funds.

The public school system in addition to the base funding from the State, JOM and Title IV, are also able to hold special levy elections to raise additional funds. The local public schools also receive Impact Aid funds. When P.L. 95-561 was passed a National Task Force was established to develop a JOM Distribution Formula. The Task Force was also used to revise the JOM regulations based upon the testimony provided at the field hearings conducted throughout the U.S. and Alaska. The draft regulations submitted to the BIA, proposed that not only would Tribally-controlled contract schools be eligible for JOM aid, but that eligibility would also be extended to Bureau schools.

The rational being both Tribal and Bureau schools were being equally funded based on the ISEP formula. We now see a complete reversal of that proposal which was based upon the consultation process required in P.L. 93-638. We strongly feel that JOM funds should be provided to Tribal Contract schools in FY '84. We prefer that supplemental services be continued through the 93-638 contract format for Tribes through BIA. The contract process is responsible to tribal needs.

School Board Training

In Fiscal Year '84 school board training funds are proposed to be reduced to an inadequate level. The training needs for Tribes to establish effective board members to deal with the many new tasks and responsibilities they have assumed under P.L. 95-561 and the efficient use of federal funds. New members are elected each year. School board training funds should be retained in a separate line item at the same level of $5000 per annum per school board in FY '84.

BIA Off-Reservation Boarding Schools(ORBS)

The systematic closing of all BIA boarding schools is this administration's and Department of the Interior's policy.

In September 1981 Lincoln White, a staff assistant to Assistant Secretary Ken Smith described part of his responsibility as:

> "to assist in policy direction for the proposed orderly closure and transfer of BIA schools elementary, secondary, and post-secondary."

The '84 budget calls for the closing of the elementary boarding schools at Concho, Oklahoma and Wahpeton, North Dakota, and the post-secondary vocational training school which is known as the Southwest Indian Polytechnical Institute at Albuquerque, New Mexico; Intermountain Indian School at Brigham City, Utah and others are also targets.

Treaty agreements and federal law both require that actions on Indian education policies and changes in education programs have the full approval and endorsement of the Tribes before they are implemented. Consultation has not taken place. Further efforts on the part of the Department of the Interior to close boarding schools will create serious problems for a large population of Indian students. FY '84 funding should be maintained at the FY '81 level for these schools.

The Shoshone-Bannock Tribes are opposed to the arbitrary closing of the Intermountain Inter-tribal School which is located nearest to our Fort Hall Reservation. The boarding schools were created to address specific needs of the students. Students that attend usually cannot adjust to public schools and many come from broken homes, single-parent families, a poor environment and often have severe social problems. Some have not been able to adjust well to the academic and social pressures existing in the public school system. They enroll at Intermountain because of the educational and special programs that are offered there.

Higher Education

The FY '83 BIA budget of Higher Education was $27.157 Million. In FY '81 the actual appropriation was $30.3 Million. The Shoshone-Bannock Tribes have only a handful of tribal members with college degrees. The Shoshone-Bannocks believe that higher education should be funded again at the FY '81 level of $30.3 Million. The proposed reduction will deprive freshmen students from receiving any financial assistance to attend colleges and universities. Through the cutbacks in financial aid, the number of students will be decreased who seek college degrees because of the increase in college expenses and the decrease in other financial aid. This is a tribal priority, to insure that our students are educated. Professionals are needed in all areas to fullfill and carry on the management of tribal enterprises and business affairs.

President Reagan, in his Policy Statement to Indians, states that the development of the tribes shall "be chartered by the tribes, not the Federal Government." It is obvious here that the President intends that the tribes, themselves take the initiative in developing policies which will bring about the political and economic development of the tribes, with the help of the Federal Government. Self determination and economic development on the reservations cannot succeed unless the Indian youth on the reservation are educated in the colleges. Financial aid at the colleges has been greatly reduced to all students and therefore it is vital that BIA continue to provide higher education assistance.

## Post Secondary Schools

Haskell Indian Junior College, Institute of American Indian Arts, Southwest Indian Polytechnic Institute are the only post secondary schools for Indian students in the United States. Properly trained Indian people are needed to enhance self-government. The S.I.P.I Indian Board of Regents must continue to operate and manage that school. The proposed contract with T.V.I. will have negative effects on self-determination and the students attending the school. Our human resource development objectives are being threatened by the elimination of the Federal Trust Relationship. Federal funds should and must reflect the same budget level as F.Y. '83.

## Adult Education

Our Tribe has an adult education contract that was funded for FY'82 and FY'83. In FY'81, the national BIA budget was $4.7 Million and FY'83 appropriation for the BIA Adult Education is $4 Million. There is a continued need for this vital service and financial support of $4.7 Million for FY'84 is needed. The Shoshone Bannock Tribes Adult Education Program has had tremendous impact on tribal members, not only in recognizing the importance of literacy among older members of the tribes, but also the youth who now readily understand the need for education achievement.

## Department of Education, PL 92-318, (Title IV), Definition of Indian

Secretary of Education, T.H. Bell in his December 29, 1982 letter to Honorable Thomas O'Niel has ignored the voice of the elected leaders of the Federally Recognized Tribes and has recommended the retention of the present Indian definition. Our Tribe supports the authority of the Federally Recognized Tribes to identify and serve their tribal members and to limit eligibility for Federal Education Services as a basis of the treaty obligations of the United States Government to those tribes. WE call upon the United States Congress to institute PL 93-638 (the Indian Self Determination and Educational Assistance Act) and the Supreme Court, Martinez Decision definition of Indian as the method of determining eligibility for education services under PL 92-318, Title IV, the Indian Education Act.

## CONCLUSION

Other Educational programs just as important are not listed due to time and space that deal with trust responsibility of the Federal Government, our concerns are the same for these other programs.

Tribes have spent many long sessions in planning and developing priorities over the past several years to provide for growth and development of education programs to serve the needs of the Indian people. This apparently has been a futile effort as the current Administration Policy to Block-Grant federal money to States is fine for non-Indian forms of government. We feel that provisions need to be made for Treaty Tribes and the continued federal responsibility to such Tribes.

The only guarantee that Indian Tribes have to receive funds is if the funds are channeled through the Bureau of Indian Affairs or directly to the Tribes. Our Tribe, the Shoshone-Bannocks, do not have the private sector industrial base or other alternatives to fund programs for economic development that would provide employment, or programs to curtail the high unemployment rate on the reservation.

We urge the United States Government and the U.S. Congress not to repeat the violations of the past agreements with the FIRST AMERICANS, the Indian people. Your continued support is essential for the survival of the Indian tribes in FY '84. We recognize the need for self-determination but the process cannot happen overnight. We were an independent people once and we can be again but the process is a long gradual process back to self-sufficiency.

We will request that the record remain open for further testimony from our Tribe, the Shoshone-Bannock people. THANK YOU.

## STATEMENT OF VIRGIL WYACO, CHAIRMAN, BOARD OF REGENTS, SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE

I am submitting this statement on behalf of the Board of Regents and the student body of Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico. We are urging you to continue funding SIPI as a federally run Indian institution.

SIPI was established by Congress in the late 1960's, as a place where reservation Indians could receive high quality vocational training in selected high-demand technical fields. Congress realized then that the lack of technical job skills was one of the most severe problems hampering economic development on the nation's Indian reservations, and that to be truly effective for reservation Indians, training in those skills had to be provided in a setting where the special needs and problems of those students could be given the particularized attention they require. The opening of SIPI in 1971, at its beautiful, modern, $30 million campus along the Rio Grande outside of Albuquerque, was thus a major accomplishment in the battle against poverty and despair among reservation Indians.

In the 11 years that SIPI has been open, much has been achieved. More than 1350 Indian young people have completed courses leading to certificates in 48 different vocational programs, in 10 program areas. Nearly 70 percent of all of those who completed their courses have found immediate employment, and in five of SIPI's program areas the cumulative placement rate exceeds 80 percent. It should be recalled that the vast majority of these students come from poverty-level backgrounds, and most speak English as a second language. Many require remedial math and English as part of their training.

Those figures demonstrate SIPI's historical success in achieving its basic mission----to produce highly-trained Indian young people who can move immediately into productive, well-paying jobs, and can eventually play a significant role in reservation economic development. These are valuable natural resources that we are turning out at SIPI, trained technicians who will serve their tribes and the nation for years to come, and who will repay the nation's investment in their education many times over. But SIPI has done more than just educate these students. It has become, in the relatively brief interval of its existence, a nationally renowned Indian institution, and its record demonstrates clear and impressive progress in raising academic standards and management efficiency while actually lowering costs.

SIPI's enrollment has steadily increased, from approximately 250-350 during most of the 1970's, to a record high of 572 in the current semester. These students, only 25 percent of whom are from New Mexico outside the Navajo Reservation, represent 70 different Indian tribes from across the country, an indication of SIPI's importance to Indians nationally. As enrollment has gone up, SIPI's budget, and its cost-per-student, have steadily dropped. As recently as 1978, the BIA spent $8302 to educate each student at SIPI for one year full-time. For 1982, that cost was $4085, less than half what it was four years ago. By comparison, another local vocational school, Albuquerque Technical-Vocational Institute (TVI), which has 12,000 students enrolled on its four campuses, estimates that the comparable per-student cost for attending TVI totals approximately $6000 per year.

In the past, SIPI has been criticized for an open-admissions policy, lax class attendance requirements, high attrition rates, and inadequate job placement efforts. None of those problems exists today. SIPI has imposed an admission requirement of a high school degree or the equivalent, and students must register at the beginning of the semester. Class attendence is strictly enforced, and attrition rates have fallen markedly, to a current level of about 24 percent (which, considering the social background of most of SIPI's students, and the nature of the institution, is an extremely respectable level). Job placement is given priority, and extensive counseling of students and follow-up work insures that SIPI's placement data are reliable and up-to-date. The school has been fully accredited since 1975.

In short, SIPI is doing its job, and doing it well. It enjoys the unqualified support of the nation's Indian leaders, who look upon the school as one of the most successful educational programs administered by the BIA.

We are not resting on our past achievements, however; we know that SIPI can do better. SIPI's Board of Regents has adopted an ambitious but, we feel confident, realistic three-phase plan for future expansion of SIPI's programs, to broaden and enrich the educational and vocational opportunities that SIPI can make available to Indian students. A hallmark of that plan is a substantial increase in cooperative arrangements with other institutions, government agencies, foundations, and private corporations, for sharing of facilities and programs and provision of additional funding. The groundwork for those arrangements is being laid right now, and some of them are already in place. Major changes could occur at SIPI in the next few years, all of which will inure directly to the benefit of Indian students and, indirectly, to the Indian tribes generally. In ten years, we project that under our plan the federal share of SIPI's total instructional budget will be only 80 percent. (Actually, if in-kind donations were counted, the federal share would be far lower.)

Unfortunately, our ability to proceed with these plans, and let SIPI achieve its real potential, has been hampered during the past year by a dark cloud of uncertainty over SIPI's future. There are those who, for no apparent reason, seek to close SIPI and end its existence as an Indian institution, without bothering to consult with Indian leaders as required by law. That desire is reflected in the President's proposed FY 1984 budget, which contains no instructional funds for SIPI. We appeal to you, not to let this fine institution be destroyed. President Reagan and Secretary Watt have both repeatedly emphasized the need for job training, and the development of private enterprise on America's Indian reservations. Here is an institution that fills that genuine and desperate need in ways that no other can. Of all times in our history, this period of crisis unemployment is no time to be proposing an end to this school.

We need a clear expression from Congress that SIPI will be kept alive, as an Indian institution. Only with that expression can we attract the outside support we need to make our long-range plans a reality. No company or other entity will make an investment in this or any institution, if its existence cannot be assured eight months hence.

We need an appropriation for this and subsequent years that will allow us to serve the needs of our record enrollment, while we are gearing up to generate the outside funds we anticipate. At the present time, SIPI is funded at $2.2 million, an all-time low. At that level, we cannot repair or maintain the expensive equipment used in our training programs, we cannot operate even a minimal summer program, we cannot fill critical instructional positions, we cannot meet any of the recreational needs of the students. We thus ask for an appropriation of $2.59 million for the coming fiscal year, for instructional needs. A detailed breakdown of that request is attached.

We ask that this subcommittee, and Congress, look carefully at SIPI's record, and give the school the vote of confidence it so deeply deserves and needs at this critical juncture in its history. Future generations of Indian people will thank you.

We appreciate your time and attention to our request.

## STATEMENT OF ALBERT WHITE HAT, CHAIRMAN, SINTE GLESKA COLLEGE BOARD OF DIRECTORS

### I. INTRODUCTION

Sinte Gleska College is a Tribally-controlled college located on the Rosebud Sioux Indian Reservation in southcentral South Dakota. Chartered by the Rosebud Sioux Tribe in 1971, the institution provides post-secondary educational opportunities and services for residents of the reservation and adjacent areas as its primary mission. The College is named after Sinte Gleska (Chief Spotted Tail), who was a strong advocate for the education of his People, the Sicangu or Burnt Thigh band of the western Teton Sioux.

Since the offerings of its first classes in February 1971, Sinte Gleska College has made significant strides toward the development and establishment of a reservation-based, Tribally-controlled education model. Among many noteworthy achievements, the most significant accomplishment to date concerns the institution's accreditation efforts. On February 1, 1983, the College was approved and granted initial accreditation by the North Central Association of Colleges and Schools at the associate and baccalaureate degree-granting levels. With this formal action, the College becomes the first reservation-based, Tribally-chartered college in the country to be accredited at the bachelor or four year degree level and the second institution at the associate or two year degree level. Navajo Community College in Arizona earned the leading distinction with respect to the two year degree granting status.

This historical accomplishment is the product of a six year accreditation effort by the College. After a three year institutional study and the initial evaluation site visit by the North Central Association in 1976, the College was granted formal candidacy status for accreditation in the spring of 1977. The continuation of this status was consistently recommended by the North Central Association biennial evaluation teams conducting subsequent site visits in 1978 and 1980. The 1980 evaluation report recommended that Sinte Gleska College make its application for initial accreditation during the 1982-83 academic year. The Executive Committee of the North Central Association concurred with and approved all evaluation team recommendations for the continuation of candidacy status.

The final North Central Association evaluation was conducted on November 29 - December 1, 1982 with an on-site visit to the Rosebud Sioux Reservation. The four-member evaluation team was composed of Dr. James Spencer (Team Chairperson), Chancellor, Illinois Eastern Community College; Mr. Gay Dahn, Dean Continuing and Community Education, Kirkwood Community College (Iowa); Dr. Mildred Bulpitt, Assistant to the Chancellor for Special Projects, Maricopa

Community College (Arizona); and Dr. Barbara Mickey, Professor, Anthropology and Higher Education Administration, University of Northern Colorado. After an in-depth review of institutional resources and operations, the evaluation team concluded that the College satisfied accreditation requirements and recommended accreditation at the two and four year degree levels. The final evaluation report and recommendations were supported and approved by the Review Committee of the North Central Commission on Institutions of Higher Education. The North Central Executive Committee took formal action to approve and grant initial accreditation status to Sinte Gleska College during the Committee's meeting held January 31 - February 1, 1983 in Chicago, Illinois.

The successful outcome of the accreditation effort reflects the tremendous strength of and commitment toward Chief Sinte Gleska's vision to establish a viable and Tribally-controlled education system. The formal granting of initial accreditation by the North Central Association provides substantial evidence that available resources have been successfully applied and utilized toward the objective of providing community-based education in a manner unprecedented in Tribal and American education.

In pursuit of this certification, Sinte Gleska College has made other measurable achievements during its twelve year history. A total of 101 students have graduated since the awarding of the first 2 degrees (associate) in 1973 (See Table I). The institution has now granted eighty-five (85) associate or two year degrees and sixteen (16) baccalaureate or four year degrees. In addition, seven (7) secretarial certificates have been awarded to students successfully completing the one year training program. The Adult Basic Education program has produced 763 G.E.D. (high school equivalent diplomas) graduates. This compares favorably against the BIA's track record of 100 graduates during the 10 years the program was administered by the BIA previous to Tribal contracting through the College in 1972.

The institution has compiled a summary of the post-graduate status of students awarded degrees at the associate and bachelor level (See Table II). In general, of the total 101 graduates, 72% are currently employed, 9% are actively pursuing advanced educational studies on a full-time basis; and 5% are unemployed by reason of death, retirement, health or family considerations.

Of the total (85) associate degree graduates, seven (7) have subsequently acquired a four year degree and an additional nine (9) graduates are currently pursuing bachelor degree studies.

Of the total (16) baccalaureate degree graduates, 69% are currently employed. All nine (9) four year teacher graduates are certified through the state of South Dakota and are presently working in local elementary schools. The first baccalaureate graduate (1980) is currently enrolled in his second year of law school at the University of South Dakota School of Law in Vermillion, So. Dak. Another is pursuing master degree studies in social work at the University of Utah.

## II. STATEMENT OF ASSESSMENT

While Sinte Gleska College can boast of the remarkable success of its academic and G.E.D programs, much work remains to ensure the continuation and continuity of its management and delivery system. The College recognizes that it must continue the internal assessment of institutional operations. Central to this assessment is the identification and application of physical, human, and in particularly, fiscal resources.

The education of the reservation population is the primary mission of the institution. One evaluation of this area involves the assessment of student enrollment and how enrollment impacts the institutional resources of the College.

### A. STUDENT ENROLLMENT

Since the initial student enrollment of 164 in February 1971, the enrolled student population at Sinte Gleska College has steadily increased to an average semester count (excluding summer session) of 350-400 students. Annual student registration, as evidenced during the 1981-82 academic year, is approaching 1,000.

It is difficult to generalize student body characteristics since a composite of all individual student profiles reflects great diversification. Purposes of attending college range from personal self-development to specific educational goals and professional interests (ex: teacher recertification). The average age of the SGC student is 29 years ranging between 17 and 66 years. In general, the average student is female, employed or unemployed depending on a variety of factors such as educational finances, the availability of classes (day vs. evening), and family obligations. A majority of students require some form of financial assistance, especially for those who have family dependents and are unemployed by reason of full-time educational pursuits or due to the depressed economic base of the Rosebud Sioux Reservation. With the absence of job opportunities, the reservation's unemployment rate has been cited between 70% - 80%.

It should be noted that while there have been periodic fluctuations in total annual enrollment, the full-time equivalency (FTE) numbers have steadily increased since 1973. This indicates that the general student population is assuming additional credit hours toward more full-time course loads. The FTE increase is also evidence that prospective college-bound high school students are opting to remain on the reservation for college studies.

B. Future Enrollment vs. Institutional Resources

After the 1983 spring semester registration, student enrollment swelled to nearly 400 after a lower registration count in the Fall '82 semester. The decline in the Fall enrollment was attributed to the transition of a modified delivery system, this being the centralization of nearly all classes at the Mission campus site for the first time. As a result, problems which have been occasionally experienced with a sudden enrollment increase have become significantly and painfully evident. This situation warrants considerable attention with respect to addressing expanded enrollments in the future. Some of the areas of consideration include:

1. Student Financial Assistance - The BIA Scholarship funding available for eligible, needy students has been and will continue to be impacted drastically. Currently, there are no distinct scholarship block allocations exclusively for students attending Tribally-controlled community colleges. Rather, students derive scholarship grants made available for all Tribal members from the fiscal allocation to the local BIA Agency office. Appropriations to BIA Agency offices have not increased proportionately to student demand and enrollment increases. Together with proposed cutbacks of other federal student financial aid sources, the limitations of BIA scholarship grants create gaps of unmet educational expenses. The lack of employment opportunities on the reservation compounds the dilemma situation.

2. Student Support Services - With increased enrollment comes increased demands for student services. Student counseling and academic tutoring continue to be priority needs as students, especially freshmen, attempt to pursue college-level coursework while at the same time attempt to cope with more personal concerns such as financial security, daily sustenance, transportation, and family-related problems of alcoholism, unemployment, and mental health. Due to budget limitations, the College cannot provide an adequate level of counseling services to address student needs.

   Day care continues to be a perennial need of students, especially single parents, with young, pre-school dependents. Tribal day care services are non-existent. A College day care program would entail the acquisition of additional facilities and certified personnel, requiring considerable financial expense which is not currently feasible within the institutional budget.

   Given the distance between dispersed campus sites, the College has addressed the initial problem of student transportation by establishing a rural bus service in 1982. The transportation system provides a substantial benefit for students, but it is limited in terms of motor vehicle units available and vehicle passenger capacities. The system presently uses two (2) 1978 Ford vans with a passenger capacity of 9 per vehicle. Each bus covers over 1,000 miles per week. Increased student enrollment has significantly increased student use of the service. One of two bus routes provides transportation for over 15 students at one time, creating a high safety risk with passenger overcapacity. The inevitable deterioration of current vehicles brings to focus the primary need for eventual replacement, leaving little room for expanding current service capabilities.

   Library resources is another area of attention. The institution is observing greater use of its library, attributed to increased student numbers and to the temporary centralization of classes near the library facility. Current library holdings, nearly 20,000 units, have reached building capacity and point to the need for additional space to provide for the expansion of library resources. Library personnel have been reduced, given budget constraints, and will need to be increased to accommodate student demand and accessibility. Should the academic centralization plan become permanent in order to maximize limited resources, both the library facility and related services will need to be expanded.

3. Institutional Operations and Facilities - To accommodate larger student enrollments, additional course offerings and classes must be available. This means additional instructors must be secured and classroom/office space must be expanded. Basic operational expenses (i.e. utilities, insurance, etc.) are increased. Again available, resources for operational support have not increased but rather have decreased or have been eliminated altogether.

   Resources for the construction of facilities and/or the acquisition of extra classroom space are currently minimal to non-existent on Indian reservations. The College has and continues to place the acquisition of facilities as another high priority. For example, the first attempt at replacing the 90+ year old administration building in Rosebud was initiated between the College and the Tribe in the late 1970's. The proposal focused on utilizing Local Public Works (LPW) funds available from the U.S. Economic Development Administration (EDA) office. The construction of a college facility became part of a two-phase EDA-LPW project (#05-51-20926) in the amount of approximately $800,000. Start up funds were made available and the construction of the exterior shell for a new administration/academic services center was begun in 1978 at the Mission (Antelope) campus site. However, funding discrepancies between E.D.A. and the Tribe were responsible for the suspension of construction activities and the eventual termination of the EDA-LPW project in 1980. As a result, new and expanded facilities remain a prominent institutional need, especially in terms of expansion for increased student enrollment.

4. Community Impact - College students and graduates have increased and are creating more visible role models in the community. As educational interests are sparked, many prospective students must initiate their personal educational effort by seeking a G.E.D. diploma through the adult education program. This will place a greater demand on the A.B.E. program and without additional resources, will diminish the development and implementation of other community education services in areas of consumer education, life coping skills, community-based tutoring, etc. As mentioned, since 1972 the A.B.E. program has produced over 750 G.E.D. graduates.

5. Tribal Program Impact - With the increased channeling of limited funding resources toward academic services, the accessibility of the institution can be potentially diminished in terms of technical assistance, research, and resource development for the Tribe and its programs. Tribally-controlled colleges have already demonstrated the unique and beneficial role that can be assumed in assisting Tribal governing bodies and reservation-based programs. Many institutional mission statements of Tribally-chartered colleges provide the foundation for the role and relationships between Tribal governments and the colleges. These roles are not just confined to educational aspects but also encompass economic development, health, law enforcement, and many other areas of Tribal need.

6. Institutional Development - While reservation-based community colleges are gradually becoming more sophisticated in the management and delivery of educational services, there still remains the tremendous task of institutional development. Fund-raising, curriculum development, research, faculty development, personnel training, facilities planning, and the advancement of accounting and managerial capabilities are areas which every university and college must address as a continuing and on-going process. Continued limitations of fiscal resources will diminish this process.

## III. STATEMENT OF NEED - FY'84 BUDGET PROJECTIONS

Like many other higher education institutions, Sinte Gleska College has assumed an increasingly conservative posture with respect to the development of annual operational budgets. Traditional funding sources, nearly all derived from a federal base, have substantially been reduced, eliminated, or maintained at inproportionate levels with respect to need.

Given fiscal limitations, the SGC Board of Directors have taken serious measures to accommodate budget constraints. Approximately thirty (30) personnel positions have been retrenched since FY'81. For the 1982-83 academic year, nearly all employment contracts have been reduced from 12 to 10 months. Fringe benefits remain at 12% compared with substantially higher percentages at other university and college systems. Opportunities for off-reservation staff training and faculty development have been eliminated. Staff travel has been restricted to on-reservation instructional activities only. Since FY'81, there have virtually been no budget provisions for the replacement of equipment, renovation of existing facilities, or the expansion of current library holdings. The FY'83 budget dictates that 1983 summer school activities will be scheduled at a minimal level primarily to allow potential graduates to complete degree requirements. The ability to continue future summer school sessions is highly speculative.

The proposed FY'84 SGC budget (See Table III) assumes the continued "bare bones" operational status of the institution and, in essence, reflects the College's realistic needs. The only substantial improvement is the adjustment of personnel salaries from 10 to 12 month contract periods. The proposed budget includes no salary or cost of living increases (1), no additional personnel, and no adjustments in terms of current travel, equipment, etc. budget restrictions.

The proposed FY'84 institutional budget assumes the continuation of current Tribal support contracts and multi-year categorical grants at FY'83 funding levels. Funds are provided through the Department of Interior and the Department of Education to comprise nearly all of the institution's fiscal base.

Funding provided by the Bureau of Indian Affairs via P.L. 95-471, the "Tribally-controlled Community College Assistance Act of 1978," represents the largest (40%) source of projected revenue (See Table IV). Through the utilization and administration of two (2) Tribal contracts by authority of P.L. 93-638 (2), the College receives support funds for basic higher education operations, adult basic education, and student financial aid scholarships.

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(1) At 7%, total salary increases amount to an additional $74,386.00.

Categorical grants from the Department of Education are anticipated to continue academic and student services funding. The College expects the continuation of several multi-year grants including Title III - Strengthening Developing Institutions Program (SDIP); Title IV B: Special Services for Disadvantaged Students (i.e. SGC Study Skills program); and the Fund for the Improvement of Post-secondary Education (FIPSE), which supports the newly-established SGC Lakota/Fine Arts department. Separate grant allocations are expected to continue to be provided by the Department of Education for student financial assistance including Pell (BEOG), SEOG, and College Work-study grant programs.

In terms of institutional tuition revenue, the current rate is established at $30.00 per credit hour and total collectible tuition revenue comprises about 10% of the institution's fiscal resources. The SGC Board of Directors took action prior to FY'83 to impose the College's first tuition hike from $16.50 to $30.00. The undergraduate tuition rate at State universities and colleges in South Dakota is presently $25.52 (resident) and $52.89 (non-resident) per credit hour. The state governor is proposing a 7% tuition increase for the next budget cycle.

## IV. AREAS OF CONGRESSIONAL CONSIDERATION

Since its inception, Sinte Gleska College has strived to develop and implement an educational structure through the establishment of a stable funding base. Through concentrated efforts to identify and secure various sources of funding, the College has been relatively successful in maintaining a constant fiscal base.

However, in spite of the success and progress of the reservation-based higher education programs, Sinte Gleska College and other Tribally-controlled community colleges continue to be concerned about the level of federal appropriations supporting various facets of institutional operations. At this point, the College would like to reiterate its concerns and request Congressional consideration of the following areas:

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(2) P.L. 93-638, the "Indian Self-Determination and Education Assistance Act of 1975".

A. P.L. 95-471 Appropriations

P.L. 95-471, the "Tribally-controlled Community College Assistance Act", was established in 1978 in response to the need to establish a stable funding source for basic operational support of reservation-based higher education programs. The act authorizes appropriations of $4,000 per full-time equivalent Indian students (FTIE) on a formula or "pro rata" basis.

Our concern focuses on the level of appropriations authorized for eligible Tribally-controlled community colleges. The problem since the enactment of the law has been that funding has never been appropriated at the authorized level of $4,000 per FTIE. The "pro rata" amount has fluctuated between $2,700 and $3,100 but this is never established until after the Congressional appropriations process. To date, the pro rata amount has been dictated more by Congressional appropriations rather than by actual student enrollments within a given fiscal year. As a consequence, the level of funding allocations to individual schools have been determined primarily by total appropriations instead of remaining sensitive to actual FTIE numbers.

The solution to this problem and our recommendation is establishing P.L. 95-471 appropriations at the full $4,000 per FTIE as mandated by law. This would provide the necessary operational funding accurate and sensitive to student enrollments (FTIE). For example, if 471 appropriations had been maintained at the full pro rata level in FY'82, Sinte Gleska College would have derived an additional $200,000 for operational support. Had this been the situation, many negative budget measures taken by the College Board of Directors would not have been immediately necessary.

This solution and recommendation would also provide a distinct advantage and benefit to alleviate the problem of diminished budget planning as currently experienced by schools. Institutional budget planners presently encounter difficulty in developing advance budget projections because the level of 471 appropriations, given the year-to-year fluctuation of the pro rata amount, cannot be accurately estimated in terms of total anticipated revenue. Budget planning and monitoring would be greatly enhanced if the primary budget factor, this being the pro rata amount, could be established for tentative appropriations. Given the reduction of traditional revenue sources, 471 funding continues to absorb a greater portion of operational costs. Consequently, there is a very real need to allocate 471 appropriations at the $4,000 per FTIE level.

## B. BIA Higher Education Scholarships

BIA higher education scholarships are critical to the pursuit of academic studies on the reservation. Given the economic nature of the reservation area, and perhaps more specifically the unemployment rate, nearly all students must seek financial assistance to attend college.

Sinte Gleska College is unique in that it maintains a special contract arrangement with the Tribe and BIA Agency office in administering scholarship monies to eligible students enrolled at the College. But coupled with inflation and increased enrollment, the annual scholarship allocation is rapidly depleted as more students display the need and eligibility for financial assistance.

In FY'82, the total scholarship allocation was $131,439. This served approximately 175 students with an average award of $880, a reduction from the FY'81 level of $1,038 per student. Statistically speaking, this average BIA award of $880, in conjunction with other financial aid sources such as Pell Grant, SEOG and College Work-study funds, serves to contribute only 60% toward the total student educational cost at Sinte Gleska College. The remaining 40% translates into unmet financial need for the students.

The total FY'83 scholarship authorization is $108,408, a continued reduction from previous levels. During the Fall '82 semester, scholarship awards in the amount of $53,440 were extended to 62 students. The balance of the total authorization must provide for educational needs during the '83 Spring and Summer sessions. Given the increased Spring semester enrollment, and specifically the financial need of 178 full-time Rosebud Agency students, the funding crisis will reach its worst proportions during the current Spring semester. Whereas awards cannot be reduced to any large degree than presently set, the College faces the uncompromising position of notifying approximately 100 students that financial aid via BIA scholarships is not available.

The College has submitted a request to the local BIA Agency office for an additional $95,000 as a supplemental. However, since total Agency scholarship funds are established at pre-determined levels, the prospects of securing additional scholarship monies are minimal to non-existent. This points to the inadequacy of BIA scholarship grants being budgeted and allocated from the local BIA Agency budget. All eligible students attending both Sinte Gleska College and off-reservation institutions must tap scholarship grants from the same Agency allocation.

One idea that the College wishes to propose and pursue is the separate allocation of scholarship grants for eligible Tribal members specifically attending reservation-based colleges such as Sinte Gleska College. This proposal would involve the budgeting of higher education grants for reservation-based college students distinctly separate from the general Tribal scholarship allocation. Separate scholarship grant monies could be processed directly to reservation-based colleges through the local BIA Agency offices. This proposal would eliminate the direct competition of available funds between institutional scholarship needs, general Tribal scholarship needs (i.e. off-reservation college students), and other Tribal/BIA program needs, all of which derive monies from the same funding pool.

Given this need, Sinte Gleska College would request Congressional consideration for supplemental appropriations to provide additional BIA scholarship funding.

### C. Tribal Higher Education Contract Support Funds (Snyder Act)

During the initial stages of institutional development, the College pursued funding through the Bureau of Indian Affairs for basic operational support. The institution was eventually approved for a small operational grant by the BIA under the authority of P.L. 67-85, the Snyder Act of 1921. With the passage and implementation of P.L. 93-638, the Snyder Act monies were provided through the Tribal "638 contracting" option of these funds. This was conceived as one effort by the Rosebud Sioux Tribe to establish at least one stable funding source for Tribal higher education purposes.

The resultant problem and continuing concern associated with this funding source has been one of safeguarding annual appropriations. Up until 1980, the Snyder Act or 638 contract monies were appropriated and allocated through the Tribal "banded" budget process in the amount of $358,300. When it became evident that Indian community colleges would be receiving appropriations via P.L. 95-471 authority in FY 1980, the BIA made a unilateral decision to eliminate the budget category for higher education from the Tribal budget, effectively eliminating contract funds. However, legislative provisions of P.L. 95-471 specifically and explicitly allowed eligible community colleges to receive both sources of funding. When the Tribe's efforts were unsuccessful in negotiating with the BIA for the restoration of these funds, it was only through the actions of a Congressional sub-committee that the Bureau modified their decision on the issue. However, in the restoration process, the BIA imopsed an unanticipated reduction of $200,000 from the higher education contract. The final allocation which was eventually provided in FY'80 was $136,500.

Needless to say, the initial fiscal benefits derived from first year (FY'80) 471 appropriations were offset by the reduction in Tribal higher education contract monies. The problem of safeguarding Snyder Act funds has continued to persist through subsequent fiscal year budget processes at the Tribal/BIA Agency level. In particularly, the development of the FY'83 and FY'84 Tribal/Agency budget proposals created a bitter and intensive conflict between the Tribal Council and local BIA administrators. The problem and source of contention stemmed from arbitrary BIA manipulations of tentative budget allocations for Tribal 638 contracts without Tribal Council input or approval. Paramount to Tribal concerns was again the BIA's attempt to eliminate monies for Tribal education programs, including the higher education and adult education contracts. Under the same general budget category, Part A - Education, higher education scholarships were also subject to the same proposal for reduction or elimination.

The FY'83 Tribal/BIA Agency budget dispute was eventually resolved on October 1, 1983. The resultant action, as approved by the BIA Area and Central offices, was to restore the education contract funds at the previous fiscal year levels. However, for FY'84 appropriations, the BIA Agency has submitted initial budget documents which again zero out higher education and adult education funding allocations. The Rosebud Sioux Tribe has submitted its own FY'84 budget proposal with the education contract funds restored but at a 10% reduction.

This latter action points to another critical concern in terms of general Tribal appropriations. Since educational support funds are derived from the same general Tribal/BIA Agency budget, Tribal educational programs are pitted against other Tribal program needs for funds. The total fiscal appropriation for the Tribe has been and continues to be reduced each year. Consequently, there are less funds to allocate for Tribal program purposes. How does education become any less important than law enforcement, social services, or natural resources when these and other Tribal programs and services derive budget funds from the same appropriation pool to the Tribe?

The FY'84 Tribal/BIA Agency budget dispute has yet to be resolved. There has been no indication to date that the BIA has taken any action to address this problem. Consequently, budget planning for College program operations continues to be diminished in terms of anticipating institutional revenue for the 1983-84 academic year.

At this time, the College would reiterate its support of Tribal efforts in not only maintaining the educational contract funds, but also securing the restoration of Snyder Act monies at the previous level of $358,300.

A historical synopsis related to the contracting and funding of the Tribal higher education program is attached to this testimony.

SUMMARY

In summary fashion, Sinte Gleska College would request Congressional consideration and support of the following recommendations related to our institutional funding needs:

1. Appropriation of P.L. 95-471 funds at the legislatively-mandated level of $4,000 per full-time Indian student (FTIE);
2. Increased appropriations of BIA Higher Education Scholarship grant funds via minimum appropriation levels established according to Tribal/Agency need; and
3. Restoration of Tribal higher education (638) contract funds (i.e. Snyder Act allocations for Tribally-controlled colleges) for the Rosebud Sioux Tribe at the previous level of $358,300 via appropriation supplement or "add-on" to the Agency budget.

Your attention and consideration of these issues is urgently requested.

## STATEMENT OF H. JAMES ST. ARNOLD, TRIBAL CHAIRMAN, KEWEENAW BAY INDIAN COMMUNITY

On behalf of the membership of the Keweenaw Bay Indian Community, L'Anse Reservation, Lake Superior Band of Chippewa Indians, I would like to express our appreciation for the opportunity to testify before this Committee. With me today is Donald LaPointe, a Tribal Council member.

It is an honor to be able to appear before this Committee, to share with you the concerns of the Keweenaw Bay Reservation in Michigan. We are acutely aware of the magnitude of the problems facing our country today in regard to not only balancing the budget, but also restoring a faith in our people in charge.

Baraga County, Michigan was the site of trading posts in the early 1800's. Records show that many thousand of beaver, fox, and wolf pelts and deer hides were shipped to Montreal, Quebec and other ports from Keweenaw Bay region during the early trading days.

Lumbering and mining attracted early immigrants to the region. Forest products and tourist services provide the present day economic backbone of the county.

The Huron Mountains on the eastern edge of the L'Anse Indian Reservation, geologically the oldest in the world, and the Big Huron River in the foothills of the mountain are an imposing and magnificent tribute to the pristine beauty of the wilderness in its natural state.

BIA 1984 Budget

We support the inclusion in the 1984 Budget $5 million for Core Management projects to Small Tribes and the inclusion of $10 million for Economic Development project on reservations in the country.

Keweenaw Bay Indian Community Economic Development

We seek support of the proposed development of Forestry related projects on the L'Anse Reservation in Michigan. Our plans are to include local, state and federal agencies in this development.

Creating a diverse base of self-supporting economic activity is the key to providing long term permanent employment on Indian reservations. Currently there is a dependence on federal grant funds to provide assistance to many Indian people. In part, this is a result of past federal spending practices, which encouraged Tribes to accept this "free money". Over a period of time, the Tribes began to count on these funds as part of their yearly income. As this policy reverses itself and grant money now becomes more scarce, unemployment and related problems increase. By replacing the federal funds by self-generated funds, those problems could largely disappear.

Because ours is a government entity we have the responsibility for creating the right environment conducive to economic progress and at the same time developing programs to meet the social needs of Tribal members. Encouraging new business to locate on the reservation is perhaps the best method of producing these self-generated funds. This doesn't mean only one type of business, but a diversity of businesses, which would employ people with varying skills. Diversification would also tend to strengthen the Tribal economy, providing a buffer against the possibility of one or more failures. Initially federal grant money could be used to do the preliminary studies, with the emphasis switching to business laon packages to augment grant funds as progress is made in developing the economic base. Decreasing the dependency on the Federal government will ensure the economic viability of the Tribes in the troubled financial times ahead.

American Conservation Core

We support the enactment of the American Conservation Act, the program would be most beneficial to our reservation in employing our youth. We previously operated a Young Adult Conservation Corp program for youth, ages 16 to 23. Base of operations was here on the L'Anse Reservation, we served seven satellite located as follows, Bad River, Red Cliff, St. Croix, Lac Courtes Orielles and Lac du Flambeau in Wisconsin, also camps at the Hannahville Reservation at Wilson, Michigan and Sault Ste. Marie Tribe in Sault Ste. Marie, Michigan. The Young Adult Conservation Corps was the only source of employment in the area working with all units of government in the County. It returns to the public benefits directly proportional to dollars spent. The Youth Conservation Program benefits not only the individual, but the entire community.

Proposed Transfer of Administration for Native Americans Transfer

We oppose the transfer of the ANA to the Bureau of Indian Affairs. We believe that the transfer is in opposition to the intent of Congress Public Law 93-644, Title VIII. Because of the relationship of the programs funded under the Native American Programs with other human services programs under the Department of Health and Human Services we feel that the Committee's intent is that the program remain with HHS and not be transferred to the Bureau of Indian Affairs. We feel that the Administration for Native Americans (ANA) has worked well with in HHS and that it makes little sense to transfer the program at this time. There is no evidence at this time showing that the cost of administering the program will be reduced other than reducing services offered by ANA in its present format.

We are faced with economic conditions today that bring back memories of the great depression of the 1930's. The location of our reservation Indians of Michigan, comprising our membership is such that they are right in the middle of areas of Michgan most apt to experience an economic slump. The economy of the Tribes is directly affected the economy of the area, the sad part about this is that there are no jobs! Indian reservations are plagued by chronic unemployment and low per capita income. Most reservation economies are undeveloped and remain heavily dependent upon outside assistance. The economic dependency which characterizes so many Indian communities is unhealthy. Much greater economic self-sufficiency is going to be required in reservation communities and a way of achieving this is through the development of the resources which offer the greatest potential for producing jobs, income and the generation of a balanced local economy.

We would like to discuss with you our goals for economic development of our reservation. Self-sufficiency is crucial to the survival of the Keweenaw Bay Indian Community, especially now in the economic slump being experienced locally.

Goal 1. Strengthen Tribal Government. One Year Objective:

A. Revise administrative structure and management procedures which currently result in autonomous program development, priority setting, staffing, administration and operation by Tribal Program and Department Administrators.

B. Revise and improve the current personnel and staff management procedures utilized by the Tribal Government and program administrators. Based upon findings of A and B above, develop a comprehensive set of recommendations and action plan for consideration of Tribal Council which are designed to strengthen the overall Tribal Government administrative structure, management procedures and personnel system.

Goal 2. Establish goals and priorities to improve existing Tribal Enterprises and develop potential economic development.

A. Review and evaluation of existing Tribal enterprises.

Goal 3. Reduction of the immediate high unemployment rates of Indians within the County and minimizing such unemployment in the future.

A. Establishment of a Tribal Employment Rights Office. Contacts with Tribal Employment Rights Planning Committee and officials of the Equal Employment Opportunity Commission regarding available Training and Technical Assistance is being performed on a timely basis.

Goal 4. To ensure the maintenance and enhancement of the Lake Trout Fish Hatchery for the Tribe.

The collective interest of the Tribe go far beyond immediate financial gain of a few individuals in economic development. It includes the protection of tribal interests, preservation and a reasonable utilization of the natural resources of the Tribe and of the environment, and an assurance that provisions for the general well being of tribal members is adequate. The tribal and individual ownership of economic resources help create employment, capital and related economic and social opportunities and promote the advancement of the benefits that result from effective management and control.

Indian Health Service

We wish to express our concern over the decline in the IHS services during the past year. During FY 1982 the last few weeks of the budget period hospitals and clinics were facing closure due mainly to inadequate funding level. Inflationary costs have cut the purchasing power of contract medical care, the dollar is worth about 40 cents today, as reductions are made in other federal and state health care programs, more and more Indian people are turning to tribal clinics for services, medical and dental needs as well as immunizations. Tribes have been forced to institute restrictions on availability of health services to non-Indian spouses.

As recent as January 18, 1983, Secretary of the Interior, James Watt pointed out in his much published statement that the health care of Indian people is the poorest in the nation, we simply cannot afford more cuts to Indian Health Service programs. We urge the Committee to focus on the unmet needs of Indian people and address fulfilling the intent of the Indian Health Care Improvement Act, P.L. 93-437, by providing adequate resources necessary to deliver to all American Indians and Alaskan Natives quality health care.

Indian Alcoholism

The problems of Indian alcoholism still is prevalent in our community. As late as February 12, 1983, the Michigan OSAS released the statement that Baraga County ranks number one (1) in the nation per capita on consumption of alcohol. The Keweenaw Bay Indian Community provides service to all 83 counties in Michigan. The New Day Treatment and After Care facility is a State licensed 25 bed coed facility with an average 90% occupancy rate. We ask continued funding of the Indian Health Service alcohol programs.

Community Health Representatives Program

We ask the Committee to bear in mind that the CHR programs operation appropriations for FY 183 is $29 million--$25 million for CHR and $4 million for Emergency Medical Services (EMS). We would like to ask the Committee to consider the same funding level as the least amount, i.e., $29 million for FY 1984. Increasing the amount to $36.3 million as asked by the National Community Health Representative Program would allow for a modest increase of wages for the dedicated CHR's across the nation. The CHR program is one of the oldest programs on the reservations yet the pay level has remained at the lowest level across the board in pay scale.

Indian Health Manpower

We urge the Committee to continue theSection 102 recruitment programs at the 1982 levels, particularly the Indians into Medicine (IN-MED) and the Master of Public Health programs. We believe the Indian health professionals trained under the Indian Health Manpower Scholarship Program is the most reliable source to insure future generations of Indian people against shortages of manpower.

Indirect Cost

The present Indirect Cost program is placing an undue drain on the Tribal Budget. The Federal government is breaching a contract with our Tribe by not providing funds that they have obligated themselves to provide under IDC., thus we are forced to use tribal money to replace over expenditures incurred because of the absence of the Indirect cost monies. It is hard to foresee tribal groups becoming self sufficient under such conditions.

We fully support efforts creating new jobs for reservation people. Jobs are needed now more than ever to help restore the dignity of man.

Education

Over the past six or seven years the drop out rate in Baraga County, (L'Anse Township Schools, Baraga Township Schools) has virtually been eliminated. This has been no easy task when one considers that 20 years ago most Indian students were drop outs before they ever get to the high schools. This success has been due mainly to several Education Programs funded by both the Bureau of Indian Affairs and H.H.S. These programs have been Johnson-O'Malley, Title IV - AEntitlements. Other programs which we have independently sought from the federal and state have been Bilingual programs and the Migrant programs. Any success which we have had with keeping Indian students in high school has been mainly due to the additional educational programs which we have been able to secure.

Title IV-A Indian Education Act - We feel that it is sad that a program with such tremendous impact - Indian Education Act (Title IV-A) would be eliminated for no apparent reason other than costs.

Higher Education - The demand for services is increasing each year, and the dollar amount available decreases. We are still working with a wang system. A large packet of materials must be hand coded. The system set in place to modernize or streamline the operation does not work.

Tribally controlled Community Colleges should receive funding. Bureau Schools should be continued because they provide a valuable service to reservation Indians across the nation.

We appreciate the opportunity to make our opinions known and are ready to assist this Committee in any way we can in implementation of recommendations made in our testimony.

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STATEMENT OF DALE WALKER, M.D., ASSOCIATE PROFESSOR, DEPARTMENT OF PSYCHIATRY AND BEHAVIORAL SCIENCES, UNIVERSITY OF WASHINGTON SCHOOL OF MEDICINE, AMERICAN PSYCHIATRIC ASSOCIATION

I AM DALE WALKER, M.D., ASSOCIATE PROFESSOR IN THE DEPARTMENT OF PSYCHIATRY AND BEHAVIORAL SCIENCES AT THE UNIVERSITY OF WASHINGTON SCHOOL OF MEDICINE, IN SEATTLE, WASHINGTON. I AM ORIGINALLY FROM THE CHEROKEE NATION IN OKLAHOMA. I APPEAR BEFORE YOU TODAY ON BEHALF OF THE AMERICAN PSYCHIATRIC ASSOCIATION, A MEDICAL SPECIALTY SOCIETY REPRESENTING MORE THAN 27,000 PSYCHIATRISTS NATIONWIDE. MY PRIMARY CLINICAL RESEARCH FOCUSES ON MENTAL ILLNESS, STRESS AND ALCOHOL DEPENDENCE RELATED TO AMERICAN INDIANS, AND IN ADDITION TO MY ACADEMIC DUTIES, I AM A MEMBER OF THE BOARD OF THE SEATTLE INDIAN HEALTH BOARD WITH FIRST-HAND KNOWLEDGE OF THE AFFECT OF RECENT FEDERAL BUDGET CUTS UPON INDIAN HEALTH. SINCE 1977, I HAVE ALSO BEEN A MEMBER OF THE AMERICAN PSYCHIATRIC ASSOCIATION'S COMMITTEE OF AMERICAN INDIAN AND ALASKA NATIVE PSYCHIATRISTS, AND I AM CURRENTLY CHAIRMAN OF THAT COMMITTEE. I WILL CONFINE MY STATEMENT TO THE IMPACT OF FEDERAL BUDGET CUTS UPON INDIAN HEALTH CARE; TO THE PROBLEMS ARISING FROM THE DENIAL OF HEALTH SERVICES TO NON-INDIAN DEPENDENTS OF INDIANS; AND TO THE CONCERNS WE HAVE OVER GOVERNMENT ATTEMPTS TO DEFINE THE TERM "INDIAN".

OVER THE PAST YEAR, THE AMERICAN PSYCHIATRIC ASSOCIATION'S COMMITTEE OF AMERICAN INDIAN AND ALASKA NATIVE PSYCHIATRISTS HAS BEEN ANALYZING THE IMPACT OF HEALTH CARE BUDGET CUTS ON THE INDIAN CLIENT'S HEALTH AND ON THE HEALTH CARE PROVIDER'S ABILITY TO ACCOMPLISH THE MISSION OF THE INDIAN HEALTH SERVICE, NAMELY, TO ELEVATE THE HEALTH OF THE AMERICAN INDIAN AND ALASKA NATIVE PEOPLE TO THE HIGHEST POSSIBLE LEVEL. IT SADDENS ME TO HAVE TO REPORT TO THIS SUBCOMMITTEE THAT THERE ARE MAJOR FINANCIAL AND MANPOWER SHORTAGES IN THE INDIAN HEALTH SERVICE WHICH ARE DIRECTLY AFFECTING THE HEALTH CARE OF ALL INDIANS, IN BOTH URBAN AND RURAL AREAS. DURING THE PAST TWO YEARS, THE TRAGIC CONSEQUENCE OF THESE FEDERAL BUDGET CUTS IN THE INDIAN HEALTH SERVICE HAS BEEN A SEVERE REDUCTION IN SERVICES TO ALL INDIANS AND A CRUEL DENIAL OF SERVICES TO NON-INDIAN DEPENDENTS. TODAY, APPROXIMATELY ONE-HALF OF THE AMERICAN INDIANS IN THE UNITED STATES LIVE IN URBAN OR NON-RESERVATION SETTINGS. THEIR HEALTH STATUS DOES NOT REFLECT THE IMPROVED LIFESTYLES ENVISIONED BY THE 1950'S RELOCATIONIST MOVEMENT. RATHER, INFANT MORTALITY IS TWO AND ONE-HALF TIMES GREATER THAN THE NATIONAL AVERAGE, LIFE EXPECTANCY IS SHORTER, AND RAMPANT ALCOHOLISM PLAGUES URBAN INDIAN LIVES JUST AS SEVERELY AS THEIR RESERVATION BRETHREN. FEDERAL BUDGET CUTS ARE ADVERSELY AFFECTING THE DIRECT MEDICAL CARE OF INDIAN PEOPLES AND CONTRIBUTING TO THESE STARTLING STATISTICS. A SURVEY OF THE THIRTY FOUR URBAN INDIAN HEALTH BOARDS AND THREE INDIAN HEALTH SERVICE HOSPITALS REPORTS SEVERE PROBLEMS RELATED TO HEALTH-CARE DELIVERY. THEY REPORT SEVERELY REDUCED PRENATAL CARE, NO FOLLOWUP CARE FOR THE chronically medically ill, reduced illness prevention programs, few or no prescription glasses available for Indians of any age, dental care only for emergencies and no client transportation to clinics. Patients are delaying their medical care because they cannot pay, or because their previous comprehensive programs are now only walk-in clinics. The staff of these programs report a low pay scale, unfilled positions, no clerical or janitorial staff, shocking nurse staffing patterns, no staff training, etc. These people are being asked to deliver health services in disastrous situations.

To compound this frightening situation, the FY '84 zero budget request for the Urban Indian Health Projects assumes that medical services will be absorbed into state and local health budgets. The American Psychiatric Association finds no evidence that states and localities are fiscally capable of assuming additional financial obligations. Federal budget cut-backs have forced all local health departments and community health centers to scale back their operations, making them incapable of servicing the medically needy Indian patients currently served by urban Indian Health Boards. For example, in Seattle alone, federal funding for community health centers has decreased from five projects in 1981 funded at $4.3 million to two projects in 1982 funded at $1 million. This is coupled with the area's high unemployment rate, the loss of Federal assistance to Southeast Asian refugees, and changes and reductions in State Medicaid coverage, all of which have increased the demand on limited local resources. An additional 14,000 medically indigent Indian people cannot realistically be added to an already overburdened delivery system. In addition, if we've learned anything from history, it is that Indian people will not use health services which aren't culturally sensitive. Excluding Indian people from IHS funding will neither solve human nor budgetary problems. The likely result will be more Indian deaths and hospital emergency visits. The cuts proposed in urban health services are but another example of an inconsistent Federal policy which chooses to recognize Indian people when convenient for the government, and which chooses to ignore them when the consequences of Federal action result in human suffering. For these reasons, we appeal to this subcommittee to reject the President's budget request and continue the Urban Indian Health Projects at a $10 million level.

The denial of Indian dependents' health care is another important issue. On the last day of the 97th Congress, a rider was attached to the Department of the Interior Appropriation Bill, Public Law 97-394, which made it illegal for non-Indian dependents to obtain health care in Indian Health Service facilities except for 1) the birth of a baby to an Indian family and 2) contagion requiring immediate treatment. This rider effectively articulates a reduction in funding for Indian health care. I submit to this subcommittee that the banning of non-Indian dependents from the Indian Health Service is already having detrimental effects upon the mental and physical health of Indian families, and we ask for its repeal. In Indian Health Service regions all across the United States, elderly men and women are receiving letters from Indian Health Service units informing them that they are no longer welcome as patients in Indian Health Service hospitals and

CLINICS. ADOPTED CHILDREN ARE ALSO AFFECTED. NO EFFORT IS BEING MADE TO REFER THESE PEOPLE TO OTHER HEALTH-CARE FACILITIES, AND IN SOME INSTANCES THERE ARE NO SUITABLE ALTERNATIVES. FOR EXAMPLE, IN OKLAHOMA, A 68 YEAR OLD WOMAN WHO HAS DELIVERED FIVE HEALTHY AND PRODUCTIVE CHILDREN AND WHO HAS REQUIRED HOSPITALIZATION HERSELF ON SEVERAL RECENT OCCASIONS WAS TOLD THAT MEDICAL SERVICES ARE NO LONGER AVAILABLE TO HER. THIS WOMAN'S LIFETIME HEALTH CARE HAS BEEN PROVIDED BY THE INDIAN HEALTH SERVICE, AND SHE NOW SUFFERS FROM GENERAL CHRONIC MEDICAL PROBLEMS ASSOCIATED WITH AGING. WITHOUT PROPER HEALTH CARE, HER MEDICAL STATUS WILL DETERIORATE RAPIDLY AND CULMINATE IN A MEDICAL EMERGENCY OR DEATH. SHE AND HER FAMILY KNOW OF NO OTHER ALTERNATIVE FOR HER HEALTH CARE. THE LAW BANNING DEPENDENTS OF INDIANS IS VIEWED BY THE INDIAN FAMILY AS YET ANOTHER STEP TOWARDS TERMINATION. THIS PROVISION IN THE LAW ADVERSELY EFFECTS THOUSANDS OF INDIAN FAMILIES IN THE UNITED STATES, AND SHOULD BE REPEALED.

THERE IS A THIRD ISSUE WE WOULD LIKE TO ADDRESS TODAY. RECENTLY, WE LEARNED THAT THERE IS A PROPOSAL IN THE EXECUTIVE BRANCH TO BEGIN DEFINING "INDIAN" IN TERMS OF QUANTUM OF BLOOD. THIS PROPOSAL WOULD ALSO HAVE THE EFFECT OF REDUCING HEALTH SERVICES. WE WOULD POINT OUT THAT "INDIAN" IS A COLLECTIVE TERM DESCRIBING OVER 400 TRIBES IN THE UNITED STATES, EACH DESIROUS OF HAVING ITS OWN DEFINITION OF WHO IS A TRIBAL MEMBER. TRIBAL AFFILIATION HAS ALWAYS VARIED FROM TRIBE TO TRIBE, AND THE FEDERAL GOVERNMENT OR ANY BRANCH OF THE GOVERNMENT MUST NOT ASSUME THAT IT CAN SET THE LIMITS OF TRIBAL MEMBERSHIP. TO DO SO AS AN INDIRECT WAY OF MAKING BUDGET CUTS IS TO POTENTIALLY LEAD TO THE TERMINATION OF MANY INDIAN COMMUNITIES AND THE SUBSEQUENT UNREST AND ADVERSE AFFECTS UPON THESE PEOPLE. FOR THIS REASON WE WOULD HOPE THAT THE SUBCOMMITTEE WOULD OPPOSE THIS PROPOSAL.

IN CONCLUSION, THE AMERICAN PSYCHIATRIC ASSOCIATION REQUESTS THIS SUBCOMMITTEE TO APPROPRIATE FOR URBAN INDIAN HEALTH PROJECTS $10,000,000 AND TO SUPPORT FUNDING INCREASES FOR OTHER RELATED ACTIVITIES WITHIN THE INDIAN HEALTH SERVICE BUDGET. WE ALSO REQUEST THE REPEAL OF THE CITED RIDER TO PUBLIC LAW 97-394, AND URGE THIS SUBCOMMITTEE TO VOICE ITS OPPOSITION TO ANY PROPOSAL THAT DEFINES THE TERM "INDIAN" WITHOUT FIRST CONTACTING EACH TRIBAL ORGANIZATION. THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO APPEAR BEFORE YOU, AND I LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE.

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## STATEMENT OF TIMM WILLIAMS, CHAIRMAN, CALIFORNIA RURAL INDIAN HEALTH BOARD, INC.

My name is Timm Williams and I come to you today as the Chairman of the California Rural Indian Health Board, Inc. (CRIHB); a position I have held proudly for eleven of the sixteen years that the organization has been in existence. In fact, I was one of the original founders of CRIHB in 1968, when we didn't have any Federal health care services for Indian people of California. While federally operated IHS health clinics, hospitals and other services were rapidly being implemented for Indian people throughout the county, nothing was being done for California Indians. On the contrary, very diliberate shameful policies of neglect termination and genocide were being agressively instituted against the Indian people of California. In the relatively short historical time frame of just two hundred years, the number of

California Indians has been reduced from over a million to less than 100,000 today. In fact by 1880 the Indian population of California was virtually extinct, with a estimated 16,000 remaing after the western expansion of Anglo settlers. To make matters worse, because of the tremendous pressure from California whites to protect access to the rich gold, timber and fishing natural resources of California, the Federal government reneged on its orginal treaty promises to set aside 7,500,000 acres of land for eighteen reservations for California Indians in the mid 1800's. Since that time, until 1950 California Indian people have waged a bitter battle to receive a equitable settlement for lost lands, under the California Claims Act. The result of all this, is that today, the relationship of the majority of California Indians with the Federal government is radically and distinctly different than what is found in most states. According to the Federal Indian Health Service figures for 1983, there are approximately 100,000 California Indians with the Federal residing in rural areas. Of that number only 11,500 are actually Federally recognized land-based Indians. This has created an inequitable system of health care, to no fault of the California Indian people. In fact we are being penalized by the very fact that the Federal government has never fully honored our treaty trust rights, consistent with Indian people in other areas in the United States.

I provide this history as a means to convey to the honorable members of this Committee that special attention must be given to insure that the budget you have before you for consideration does not perpetuate the policies and actions of the past which ignored the particular needs and problems of California Indians. I only need to point to the Rincon Lawsuit which was won on behalf of California Indians against the Indian Health Service in 1979. In this action the courts mandated the Administration to rectify the gross funding inequities of the IHS in California, by directing a total reallocation of their base resources.

Congress has assisted in this process by appropriating the so-called "Equity Health Care Fund" for the past three years and, despite its problems in implementation, these additional resources have dramatically changed the quality and comprehensiveness of health care which are provided by tribal and rural health programs in California. Still, the unmet needs of California Indians remain distinctly greater than the average U.S. Native American. For this reason we stongly support the continuation of the Equity Health Care Fund as in the proposed budget. More importantly we support the Congressional mandate to the administration to comply with the intent of the Court in the Rincon law suit, by reallocating the base of the IHS budget (which they have yet to do). This will allow us in California to build on our recent successes and to finally establish a system of care that insures equal access and comprehensiveness with the other areas. I wish to reiterate that the California rural and tribal Indian population is 11% of the total IHS Service population, yet this proposed budget still only allocates about 3% of the total funding for California without the base reallocation. Ironically because of this different historical relationship of California Indians to the IHS, we in CRIHB feel we have developed an alternative system of cost effective, cost beneficial health delivery which can serve as a model for the improvement of IHS programs elsewhere. For example:

-Only in California are direct clinical health care services totally provided through contracts to the Indian community. As a result, we have a system of health care that is focused on comprehensive primary care and is community based as opposed to the highly expensive hospital based system operated by IHS in other areas.

-All in-patient secondary and tertiary care is provided by the tribal organizations through Contract Care with existing non-IHS hospitals, with the majority of the cost paid through other sources such as Medi-Cal, Medi-Care and private insurance thus making the most use of our limited IHS resources, and avoiding the expensive and wasteful government - run services.

-Through a highly developed system of Community Health Outreach and Public Health services in our clinics, we have begun to significantly improve the health care awareness of the Indian people in our state and reduce unnecessary visits to the clinics, while providing more comprehensive care services and health awareness education at the community level.

-There is a real economics lesson to be learned in California. The CRIHB system of Indian controlled clinics and health programs promote and encourage cost efficiency and cost control. In effect, by having a "CAP" on spending, California is the only Program Office of IHS that does not operate in a deficit.

At the same time however California is penalized since we do not benefit one cent from the mandatory built in cost increases passed on to the other areas, or from the Hospital and Clinic Construction funds. For this reason we should be immune from any "across the board" cuts as took place last year. We feel this is a double penalty against California Programs, since our operating expenses continue to rise every year yet we are told to cut our programs by 5% since we are Tribal Contractors and not government run facilities. Not only is this an injustice but it directly undermines the intent of PL-93-638 and the reasoning for the Equity Health Care Funds. We respectfully request the Committee to direct IHS to restore those reductions to our programs and insure that any "mandatory cost increases" included in the IHS budget be automatically applied to Tribal Contractors. This will allow us to keep pace with IHS so we may assume the total control of our Tribal Health Programs as was intended in PL-93-638.

In regards to the proposed budget we further recommend the following:

1. We concur with the Appropriation Committee's recommendation that there is a need to redefine the criteria for eligibility for IHS funded services, However given the sensitive - importance of this issue, we urge the Committee to allow the IHS to pursue this through regulatory change (rule-making process) and not through independent Congressional action. This will insure the fullest participation by the Indian community in the drafting of this new language and its potential impact on our particular communities. We would like to go on record that any change in the eligibility criteria include special provisions for California because of our unique historical situation as described earlier. We request Congressional support of our particular needs.
2. We concur with the Committee's recommendation to re-examine the entire administration structure of IHS to reduce administrative duplication, and reflect a movement toward more tribal contracting and community based preventive health programs. The California Program Office in particular was singled out by Congress as an example of the unnecessary bureaucracy which has emerged in the IHS in recent years. Despite the fact that the IHS does not operate a single health care facility in California, its administrative unit the California Program Office has mushroomed from a staff of twelve people to fifty-seven in five years, with a budget of $1.6 million. The proposed appropriation represents an 18% increase over last year. We do not advocate the elimination of the California Program Office, since the unique problems of California Indians require its continuance. However, an evaluation of administrative functions should be undertaken to determine what activities can be contracted to Tribes and Tribal organizations such as CRIHB, what activities can be regionalized with Phoenix or Portland (such as contracting, property procurement etc.) and what is actually necessary for the Program administration. We would welcome the opportunity to cooperate with the

the IHS to restructure and economize the California Program Office and urge your support.

3. We totally oppose the Administration's request to completely eliminate the Community Health Representative Program. In our sixteen years of experience in operating Tribal Health Programs we have found this particular aspect of our program to be the critical link between the Indian community and the health care providers. This is one program that has been highly successful and truly cost-effective in the control of chronic disease and developing positive health awareness in the Indian community.
4. In regards to the Indian Health Manpower Program we are very disturbed at the trend to severly curtail or eliminate the funding for the various sections of Title I of PL 94-437. We strongly support the need to recruit, train and retain Native American students in the various health professions. If we are ever going to actually take control of our health programs we must make long-term plans now to insure that we have the available health professional resources to staff our facilities. As it is we are primarily dependent on the National Health Service Corps and the Public Health Service to provide staff for the IHS facilities and even with that support we are facing critical shortages. We must insure that our young Indian people have early preparation, guidance and scholarship support to enter these valuable professions so they may return to their local communities for service. We also urge the Committee to restore the funding for the Indian Masters in Public Health Program since this has been our most valuable source for trained and educated Indian managers and related professionals to staff our growing number of Tribal health programs.

In closing, I would like to emphasize to the Committee that in the 16 years that I have been striving for equal justice for California's Indian people, I have never been as optimistic as I have been in the past two years with the growth and improvement of our tribal health programs. To an extent, the Equity Health Care Fund has been successful in that we are finally beginning to have the resources necessary to provide quality health care programs. Certainly we have a long way to go. In that regard we would like to encourage the Committee to continue to support the special needs of California Indians. We hope that it will not be at the expense of the tribes in other states that we may receive our due justice. In this regard we urge you to continue to support additional resources through the Equity Health Care Fund to bring our tribal programs up to par with the other areas. And we also urge you to take a critical look at the tribal system of health care delivery we have in California. We feel this is truly representative of the spirit of the President's Special Message to Indian people to support and encourage self determination without Federal government interference. Thank you for your continued support.

## STATEMENT OF DELBERT FRANK, SR., PRESIDENT, AFFILIATED TRIBES OF NORTHWEST INDIANS

As President of the Affiliated Tribes of Northwest Indians, I would like to outline some suggestions for you to consider while reviewing the President's 1984 budget request. I am Delbert Frank, Sr., Chairman of the Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon. The Affiliated Tribes of Northwest Indians includes delegates from Oregon, Washington, Idaho, Montana, Southeast Alaska, Northern Nevada and Northern California, each of which is responsible for deciding its own course and for setting its own priorities. I cannot possibly speak for all their needs or for all the ways the federal budget affects them.

But I would like to suggest some ways we can work together on our short-term objectives through the next budget cycle and on our long-term goals for the future.

There is a bond between the United States and Indian tribes. It cannot be paid off by throwing money at it, and it cannot be dissolved by ignoring it. And although it can be broken, it should never be -- both because of the human consequences and because a great nation keeps its word. How can this moral and legal bond be strengthened?

First, we need to be fair with each other. As the Federal Government's legislative branch, you need to know what services we seek and for what ends. As Tribal Governments, we need to know what assistance we can expect and on what conditions. It is unfair for us to ask for funds without limit, but it is equally unfair for you to withdraw them without notice.

Second, we need to be reasonable. If the Federal Government must curtail its support of established programs, what alternatives will remain for us? If adjustments are needed, how can they be best carried out? If across-the-board budget cuts must be made, how can they be made the least disruptive?

Third, we need to be consistent. The history of Federal-Indian relations is full of reform. There have been many ideas that, once conceived, never materialized; there have been many promises that, once pledged, vanished. The The Federal Government and Indian Tribes together need to decide our directions and to pursue them. We need policies to let us lead, not rigid rules we must follow.

Fourth, we need federal support in education, health, housing, and other human services. We need assistance through training and technical assistance to manage and develop our natural resources and our reservation economies. We need commitments that our Tribal government autonomy will be preserved and that our resolve to maintain our tribal cultures and traditions will be respected.

Can we achieve these objectives? I believe we must.

I urge your attention to the needs of all Indian Tribes to translate the principles we believe in into reality.

## STATEMENT OF ROSEMOND GOINS, R.N., PROJECT EXECUTIVE DIRECTOR, SOUTH DAKOTA UNITED INDIAN ASSOCIATION

I would like to take this opportunity to thank you for your attention ans concern for my people. I realize fully the extent of the budget restrictions you are faced with, however I feel these issues "of concern" need to be addressed.

The American Indian is a recognized race whose constituents are subject to many variables and their definition varies amongst different tribes, governmental agencies and the general population. Consequently there are no adequent records that reflect the genetic, social and economic parameters of the Indian population of the United States in their entirety.

Epidemiological information as to the differences between the Indian and white population is remarkable only in its paucity. Previous published reports are centered primarily on isolated and extremely homogenous American Indian populations, and while reflecting the trends of these groups, does not reflect the overall patterns of the mainstream of American Indians in the United States.

We wish to draw to your attention the fact that there is a significant increase in the onslaught of the special disease categories on the American Indian population today. (See ATTACHMENTS I, II, III)IV

The time has come to apply today's scientific methodologies so that the picture of Indian Health can change radically.

Currently the present administration has lowered funding levels to Indian Health Service to where daily survival for the American Indian is in question. Certainly the present budget allocations are found to be mounting in the areas of line item allocations aimed at providing even rudimentary service. Services for DIRECT CARE are appalling.

As you can see our "people" are again in the situation where whole tribes are being "wiped out" not by smallpox, TB, etc., but by Diabetes, Cancer, Cardio-vascular disease, to only mention a few.

We ask that Indian Health Service be given new monies to begin to develop a program to deal with these issues of concern. Also that the plan be based from a "grass roots" level to assure direct service delivery to the scores of American Indian people diagnosed within these disease categories.

I respectfully request that this testimony be entered into the record of the Budget Hearings.

Thank you.

LIONEL H. deMONTIGNY, M.D.
SEPTEMBER 1982

Attachment #2

## I. INTRODUCTION

This paper explores payment for medical services from two standpoints:

1. The patient
2. The provider

Significant changes have occurred within the past few decades that change the scope of services needed and provides the opportunity for Indian people to become involved as providers of health care.

# FINANCING HEALTH CARE FOR AMERICAN INDIANS

## II. HISTORICAL PERSPECTIVE

Health care for American Indian people is deeply rooted in the history of our country. When the first explorers from Europe came to North America it was noted that the American Indian people were unusually healthy and free of deformity.

In the early years of European contact the art of medicine of American Indians was superior to that of the incoming Europeans. Early colonists relied almost completely upon American Indian healers for treatment of illness and injury.

When the United States was formed the Federal Government reserved the right to deal with foreign nations including Indian nations. Thus the Federal/Indian relationship dates back to the formation of the Nation.

Many treaties specifically stated that certain medical services were to be provided in return for the ceding of lands. With the rapid westward expansion, many communicable diseases were introduced into the Indian populations. Since the Indian people had little or no prior exposure to these diseases, pandemics occurred, often eliminating entire bands of Indians.

It is worth mentioning the impact of the fur trade as it relates to disease patterns. Prior to European trade, some trading took place between the civilizations to the South and certain trade goods from Asia. With the introduction of the fur trade, large trading centers emerged. Extensive travel accompanied trade. Tribal boundaries became less clear. Weaponry and transportation systems changed the lifestyle of many Indian tribal groups. Prior to the era of trading, family groups tended to live in small clusters which came together periodically for religious and social events. But with the introduction of trading systems, permanent large settlements became common. Introduction of diseases into a small family cluster in prior years had little overall impact since the disease would usually run its course before being introduced to a neighboring band. In permanent trading villages, diseases such as tuberculosis took a heavy toll because contact became more common and spread between trading villages.

As this Nation expanded, the reservation era emerged whereby tribal groups became crowded into small plots of land. This increased contact between people and enhanced the spread of communicable disease.

In the early reservation era, some medical services were provided as needed to keep government officials healthy and to prevent the spread of disease to non-Indian populations. Before leaving the reservation, it was necessary to have a certificate of health to prevent an Indian from spreading disease to non-Indians.

In 1849, responsibility for Indian Affairs was transferred from the War Department to the Department of Interior. A gradual transition took place over the next several decades whereby military personnel were replaced with civil servants.

With the emergence of social programs in the 1930s much effort was expended to control communicable disease. While considerable success was had in many locations, communicable and infectious disease remained a major killer of the American Indian people. In the late 1940s and early 1950s the United States Public Health Service (USPHS) and later the Communicable Disease Center became involved in attempts to control disease. The USPHS was originally created to control the introduction and spread of disease introduced by merchant seaman in 1798. The USPHS discontinued services to merchant seaman in 1981 because they ceased to introduce infectious disease and had access to other medical services. Gradually efforts were expanded to other populations until in 1955 responsibility for health services to American Indians was transferred from the Department of Interior to USPHS.

The USPHS was highly successful. For example, Alaskan natives had evolved into village life, although there were few reservations. Tuberculosis infected every man, woman and child. Entire villages were treated until epidemic tuberculosis was controlled.

Considerable emphasis was placed upon education of American Indians in the 1960's. Campuses that might have had one American Indian in the 1950's changed to having hundreds attend college by the 1970's. Indian people assumed professional positions in private and public institutions.

## III. CHANGING DIEASE PATTERNS AND HEALTH CARE NEEDS

In the 1960s much effort was expended upon economic development, improved housing and sanitation facilities. By the early to mid 1970s, infectious and communicable diseases of the American Indian populations began to be replaced with different disease patterns related to specific behavioral patterns. Alcoholism, diabetes, obesity, and hypertension replaced the old diseases. Incidence and prevalence of tuberculosis, enteritis, and other infectious diseases are now comparable to that of the U.S. population of all races. Infant mortaility rates are not remarkably different.

During this era there was growth in programs to provide health services to introduce more healthful living patterns in the American populations. Special categorical programs became common for certain groups such as: Women, Infants, and Children, the Elderly, Inner City Poor, Rural Poor, Migratory Laborers, etc. . . . Legislation was passed to provide health services to the needy and the elderly, until nearly every American became eligible for some kind of health care.

The 1970's brought some economic development. Occupations of native populations underwent considerable change. Many groups who had previously existed on a subsistence economy of gardening, hunting, and gathering of natural foods became workers in industry. Some tribal groups underwent rapid industrial development. This brought several changes:

1. Occupational diseases were introduced.
2. Nutritional status changed.
3. Family units underwent rapid alteration from extended family units to nuclear families some unwed mothers and high divorce rates. The role of the elderly deteriorated.

4. The introduction of technology improved transportation and communication systems. Tribal languages in many locations quickly became obsolete.

As these transitions were taking place not only did disease patterns change but, the availability of alternative health services also became more common. Industrial health care emerged. Some Indian people formed their own health insurance companies. In some locations the private sector of the health care industry became involved.

Disease patterns related to behavioral patterns requires a significantly different approach for prevention, control, and treatment. While American Indian people may experience greater incidence and prevalence rates of those diseases and health conditions, altering behavioral patterns must come from the individual, family, and community. Such disease patterns are not readily altered by outside intervention or by direct medical care. This is not to imply that providers of direct medical care do not have a significant role, but that other efforts are required. Behavioral patterns are altered when a change in behavior has meaning to individuals. Many of the private health care delivery systems assess penalties by increasing premiums if behavior is not altered. The military systems even go so far as to impose fines and restrictions.

It has been stated on numerous occasions that alcoholism and alcohol related diseases constitute the major health problem of American Indians. The medical profession has also stated that excessive dependency and inability to deal effectively with one's environment are key contributing factors to high rates of alcoholism and alcohol consumption. If this is so, then it is necessary for Indian people to assume control of health and other institutions that effect their own lives. In this way Indian people can excercise the responsibilities of citizenship. Responsible behavior will reduce the incidence and prevalence of diseases related to behavioral patterns.

## IV. ASSISTANCE FOR PROVIDERS OF HEALTH CARE

Two pieces of significant legislation came about in the 1970's; (1) The Indian Self-Determination Act, (2) The Indian Health Care Improvement Act. These two pieces of legislation allowed Indian people to assume control of their health care industry. American Indian entrepreneurs working to participate in the private sector of the health care industry can also obtain capital resources and technical assistance from the following sources:

1. Bureau of Indian Affairs (BIA) Guaranteed Loan Program
2. Small Business Administration (SBA)
3. Farmers' Home Administration
4. Insurance Companies
5. Hospital Corporation of America
6. Private contributions
7. Foundations
8. Taxation or other local revenue

Each source of assistance has requirements that must be met. The health care industry can be of different types that may influence the availability of assistance. The Indian Self-Determination Act stipulates that the facility must be "owned, sanctioned or controlled" by a tribe.

Thus a tribe may opt to manage its own health care industry or it may opt to regulate it. Regulation is usually done by means of ordinances such as a health code. In the latter option, tribes may have to have a health department to enforce codes and standards. The local health care industry may be of two types:

1. Profit
2. Non-profit

Whether the industry is profit or non-profit affects the assistance available. The guaranteed loan program from BIA and SBA must be for profit. Collateral, is essential. Collateral can include the following:

be paid for. Few health institutions can provide complete, comprehensive health care. Likewise, few health care delivery systems can provide the full amount of resources required for any and all services needed.

Each of these three items must be studied in depth. Most Indian people tend to think of the service population currently serviced by the IHS. Unfortunately this varies from location to location.

Requirements such as blood quantum, tribal membership, and residency are often conflicting or poorly defined. In order to manage a health care delivery system, however, one must know the exact numbers of people and the demographic characteristics such as age, sex, occupation, and family composition.

Morbidity rates in terms of specific incidence and prevalence must be known. For example, those populations with high prevalence rates of alcoholism can be expected to have higher rates of injuries, accidents, obesity, diabetes, hypertension, cirrhosis, renal failure, and complications of malignant neoplasms. Other factors such as weight, occupation, certain habits, such as smoking, must also be known. Insurance companies apply different rates based upon experience in treating persons with higher or lower risk of developing treatable disease.

## V. SOURCES OF PAYMENT FOR DIRECT MEDICAL CARE

In order for the health care industry to survive and provide quality medical services, it is necessary that payment of medical bills be stable and consistent. Some of the most common sources are:

1. personal assets
2. accounts receivable
3. equipment
4. inventory
5. land

Farmers Home Administration may provide assistance to non-profit corporations. Non-profit corporations are unique in the respect that no dividend payments are made to the stockholders in the industry. Other rules, such as the lack of availability of other funding, may apply.

In addition to the assistance by way of guaranteed loans, the BIA can pay some of the interest on the loan. This is usually calculated on the difference between the prime rate and the loan rate, up to 2-3/4 percent.

Before venturing into the private sector of health care on a "for profit" or "non-profit" basis, it is necessary to do what is termed a "market study". Any such study must include the following:

1. The population must be defined. Currently there are several definitions of "Indian" which varies from location to location or even within the same location. Any planner in the private sector must know precisely the population to be served. Demographics of the population are essential.

2. The health conditions present in the population must be identified. In order to determine the types of health services needed, it will be necessary (a) to know the risk of developing certain kinds of health conditions, (b) what is needed to treat and prevent these conditions, and (c) the cost of these services.

3. What the population is eligible for from respective sources in terms of what can be provided and what can

1. Medicare
2. Medicaid
3. Veteran's Administration
4. Private health insurance
5. Industrial or group health insurance
6. Indian Health Service Contract Health Service
7. Special State programs
8. Welfare programs

Medicaid payments to IHS was $11.1 million in 1981.

Medicare is a program administered by the States for the medically needy. In 1980 Indians received over $47 million in payments for medical services provided.

Many Indian people are Veterans. In 1980 American Indians received $5.8 million from the Veterans Administration.

Estimates on the availability of private health insurance are not accurate; however, the National Center for Health Statistics estimates that about 68 percent of the American Indian population has private health insurance. This figure, however, is derived from "all" Indians. Such figures rarely apply to a specific reservation population.

The availability of industrial health insurance varies considerably from tribe to tribe, depending upon the degree of industrialization in the area. Estimates vary from zero to 80 percent.

The IHS contract health care is also available for payment of direct medical services. The annual budget is over $100 million.

Some States such as California have special programs such as medical. Over $2 million is available annually.

For those who qualify for Welfare programs, State or county Welfare systems may pay for health care. No estimates are currently available to give the amounts.

What the patient or recipient of services is eligible for varies with income industrial or private health insurance, and tribal, county or State services. Veterans fall within a special category. Usually services are available only in Veterans health facilities. Payment for services must have prior approval by the Veterans Administration if services are to be received in a non-Veterans Administration facility. It is only natural that most American Indian people look toward the IHS of the USPHS for health care. (Of the three elements listed for market study, however, little information is available from this agency.)

The Medicare program provides payment for medical care to the private sector. This program is designed to pay for services to the medically indigent. Factors such as income, family size, and obligations are taken into consideration. One must be registered with the local Security Administration and must have a local security card. Current criteria applied to Indian people find most of the Indian people eligible.

Some alternate sources of medical care include:

1. Bureau of Health Care Delivery and Assistance (BHCDA) (formerly Bureau of Community Health Services (BCHS)) projects. Grants for community health centers, rural health initiatives, maternal and child health family planning and National Health Service Corps staff.
2. Alcohol, Drug Abuse, and Mental Health Administration projects.

3. Office of Home Development Services. Grants to Indians from the Administration for children, youth, and families and the Administration on Aging.
4. The Department of Agriculture's Special Supplemental Food Program for Women, Infants, and Children.
5. The Community Services Administration's Community Food and Nutrition grants.

## CONCLUSION

From what has been presented, it can be concluded that:

1. Disease patterns of American Indians has shifted from communicable disease to those health conditions related to behavioral patterns. Intervention to alter the incidence and prevalence of these diseases requires extensive involvement of families and communities.
2. Financial resources to support direct health care services are now available from a wide variety of sources.

3. Opportunities are available for Indian people to become providers of health services. It is the impression of many Indian people that sufficient resources are available to support the delivery of direct health care services. In those locations where this is so, this provides an economic opportunity for those involved in the provision of services. This also is a significant factor in prevention and control of current disease patterns in the respect that the local people can be most effective in altering their own health conditions.

## LETTER FROM DAVID W. WHITENER, CHAIRMAN, SQUAXIN ISLAND TRIBE

March 31, 1983

Senator James A. McClure, Chairman
Senate Interior Appropriations Subcommittee
SD 114
Washington, D.C. 20512

Dear Senator McClure:

The Squaxin Island Tribe is submitting this enclosed supplemental appropriations request for F.Y. 83, which includes:

Appendix I. Indian Action Team funds reduced by $10,000.

Appendix II. Indian Child Welfare Program that was denied because the Bureau of Indian Affairs may not approve more Grant Applications than their tentative allocation. The minimum score in ranking the proposals was 85. Our Tribe had a score of 90.

Appendix III. Fisheries/Law Enforcement Program has been reduced by $23,000.

The above appendixes cover the Tribe's concerns for the continued survival of these ongoing programs. The reductions are being inflicted on the Tribe's programs when we understood these cuts requested by both the Senate and the House were supposed to be from B.I.A. Administration, not tribal programs.

The Squaxin Island Tribe requests the enclosed written testimony for supplemental funding for F.Y. 83 be entered in the official records.

The Squaxin Island Tribe appreciates any support you committee can give us on this request.

Respectfully,

David W. Whitener, Chairman
Squaxin Island Tribe

APPENDIX # 1

The Squaxin Island Tribe is a Federally - recognized Indian Tribe with a service area population of approximately 1000 individuals. Located in the Lower Puget Sound area of Western Washington State, the Tribe is continually striving to preserve its cultural identity while concurrently striving to achieve true self-determination and economic self-sufficiency for its people. As such, the Tribe greeted President Reagan's Indian Policy Statement of January 24th, 1983 with cautious optimism.

With social, health and welfare services strained and sorely taxed due to unprecedented Federal budget cuts, the Tribe's anxiety to develop economically in order to maintain the services has become their most emergent priority. Initially the Tribe interpreted the "Policy Statement" as being in support of this. Reagan's dissertation specifically addresses proposed remedies toward the solution of severe economic conditions plaguing Indian Reservations today. However, these solutions, questionable at best, are of a long-range, legally-complex nature and completely devoid of addressing our immediate needs.

Furthermore, contrary toproviding remedies to Tribal economic growth, programs currently in the system which do produce tangible and positive results are being imperiled by drastic budget reductions. One such program of immediate concern to the Squaxin Island Tribe is the Bureau of Indian Affairs Business Development Plan which entailed the eventual successful development of a Tribal Shellfish Industry. In essence, this includes approximately 15 miles of Tribally owned tidelands, a 6000 square foot oyster processing facility and two large logistics docks. The capital investment in this project to date is well over $1 million. A vast array of Federal, State and Tribal resources were utilized to bring this project on line including B.I.A., E.D.A., Tribal capital and state regulatory agencies.

Now, nearing its solvency, the Tribe was recently awarded a Business Development Grant through the Bureau of Indian Affairs in the amount of $40,600. This grant was to support an experimental oyster growing technique which would cut our production cost by up to $75,000 per year. However, on March 25, 1983 we were notified that this grant would be cut by over 25% or $10,320. This cut substantially diminishes the chances for us to carry out a research project which, if successful, would have expedited the overall progression of this fledging Tribal Enterprise. An enterprise which could have a far reaching and positive impact upon the Tribes high, 45% unemployment rate and significantly aid in achieving their goal of economic self-sufficiency.

Therefore, we are herein requesting that your committee provide a direct-line apporpriation for the Squaxin Island Business Development Grant to its original amount of $40,600. In so doing, our Tribe's success in the development of this economic project to its solvency would be better assured and this administrations "policy statement" would be looked upon as more than just mere rhetoric.

APPENDIX # 2

## INDIAN CHILD WELFARE

The Squaxin Island Indian Child Welfare Program has in the last two years just begun to make an impact on the community, court and state agencies in implementing the Indian Child Welfare Act of 1978.

We have been notified by the BIA, that the Squaxin Island Indian Child Welfare 1983 proposal will not be funded because of lack of funds. The Squaxin Island Tribe is requesting your support by appropriating a line item of $50,000 for a 1983 Indian Child Welfare contract. Attached is a summary for your review of the statement of need, budget, resolution and letters of support for the 1983 Indian Child Welfare Proposal. The complete Indian Child Welfare proposal is available at your request by calling FTS number 434-9781, Ext. 10, the Tribal Chairman's Office.

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## STATEMENT OF PAUL L. BILLHYMER, EXECUTIVE DIRECTOR, UPPER COLORADO RIVER COMMISSION

My name is Paul L. Billhymer. I am the Executive Director of the Upper Colorado River Commission, Salt Lake City, Utah.

The Upper Colorado River Commission is an interstate administrative agency created by the Upper Colorado River Basin Compact of 1948. The Commission represents the States of Colorado, New Mexico, Utah, and Wyoming in matters pertaining to the development, utilization, and conservation of water resources of the Colorado River Basin.

Mr. Chairman, our Commission appreciates the opportunity to support the appropriation of funds to continue the construction of the Navajo Indian Irrigation Project during fiscal year 1984.

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*Summary of Specific Action Requested*

Appropriation of such funds to the Bureau of Indian Affairs as will provide for the orderly development of the Navajo Indian Irrigation Project.

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The Navajo Indian Irrigation Project is in Rio Arriba and San Juan counties in northwestern New Mexico. It will provide for the irrigation of 110,630 acres. The project will provide a living for 6,550 Navajo families as farm operators, laborers and employees in service activities. A higher standard of living will be possible for more than 33,000 Navajo Indians.

This project is about 43% completed in terms of cost. The delay in appropriating funds for the completion of the Navajo Indian Irrigation Project defers realization of the full benefits of the funds already expended on this project.

The Governor of New Mexico, in his statement requesting an appropriation for this project, has fully outlined the need and background basis for the continued development of the Navajo Indian Irrigation Project. The Upper Colorado River Commission supports the request for $6 million in construction funds to be included in the Fiscal Year 1984 Bureau of Indian Affairs appropriations for this project, and the Commission further supports the appropriation of $4,500,000 for the operation and maintenance of this project.

On behalf of the Upper Colorado River Commission, I wish to thank you for granting us the opportunity to express our support for the appropriation of funds for the continuing construction of this Navajo Indian participating irrigation project under the Colorado River Storage Project Act of 1956 and the Navajo Indian Irrigation and San Juan Chama Projects Act of 1962, as amended.

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## STATEMENT OF THE NEZ PERCE TRIBE OF IDAHO

The Nez Perce Tribe of Idaho would like to bring to the Committee's attention Indian budget matters which are of great concern to us. You are well aware of the tremendous economic impact which last year's budget reductions had on Indian tribes generally. It is against this background that we urge the Committee to scrutinize with great care the further proposed budget cutbacks which we discuss below.

### A. Bureau of Indian Affairs

### Education-School Operations

The proposed budget cuts and program eliminations in BIA School Operations will have a severe adverse impact on the quality of education Indian children receive. The proposed $2 million decrease from the F.Y. 1983 budget assumes the closure of three boarding schools and the transfer of ten Alaskan day schools to the State. Additionally, much needed pre-kindergarten programs, serving 1,084 Indian children, would be totally eliminated. The closing of these schools will result in a loss to Indian children of programs especially designed to meet their social and cultural needs. The elimination of the pre-kindergarten programs will deny Indian children the proven benefits of early education services for the disadvantaged. We urge the Congress to appropriate adequate funds to retain these invaluable education programs.

## Social Services

The proposed cuts in social services will come from the Indian Child Welfare Act funds and from general welfare payments by eliminating funding for off-reservation Indians. This proposal ignores the inextricable link between Indians on and off the reservations. With the massive unemployment and numerous social ills on the reservations, many potential grantees are forced to move to urban areas, while members of their families remain on the reservations. The decrease in these funds will exacerbate the existing poverty and social problems among Indians on and off the reservations. Social Service funds must be increased for F.Y. 1984.

## Economic and Employment Development

The present requirement that programs funded under the Economic Development Initiative obtain 75% of their funding from non-federal sources discriminates against tribes such as ours which are not rich in resources and, therefore, are unable to attract substantial private capital investment. The requirement should be changed to reflect this concern, which Congress raised last year, and to ensure that those tribes which are most in need are eligible for development funds. Additionally, any cuts in employment development funds would be devastating to our Reservation, which is already waging a daily battle against overall unemployment running close to 50% and youth unemployment of 100%. The potential Indian recipients must not be penalized by reduced funding in these areas due to the structural problems in the program which the BIA has not yet addressed.

## Natural Resource Development

Preservation and development of the natural resources on our Reservation is essential to our economic self-sufficiency. The proposed budget for natural resource development is extremely inadequate to ensure both of these goals. In particular, the proposal for litigation support funds ignores the reality of inflation and reflects an amount that makes it infeasible in many cases to pursue negotiation or litigation designed to recover or protect our natural resources. We urge the Congress to increase the litigation support funds.

## B. Indian Health Service

The Administration again proposes to eliminate the Community Health Representative Program. The $25 million budgeted for the CHR Program last year was well spent on the delivery of health services to Indians who otherwise would not receive care because of their geographical and physical isolation. We urge the Congress to retain the CHR Program.

## STATEMENT OF THE LUMMI INDIAN TRIBE

The Lummi Indian Tribe, geographically located on the Northwest Coast of Washington State, currently operates the largest American Indian fishing fleet in North America. A majority of the 2500 enrolled Lummi Tribal members depend on the fishing industry, either as independent fishermen or as employees in commercial Tribal ventures, for their livelihood. Although the reservation land has minimal natural resource value, the reservation borders prime commercial fishing and recreational boating areas as well as traditional shipping lanes. The future self-sufficiency of the Lummi Tribe depends on the enterprising spirit of the Lummi people.

The Reagan administration recently released an encouraging White House Indian Policy Statement endorsing "government-to-government" relationships and supporting strategies that would improve Tribal economies and reduce excessive Federal intrusion in Tribal affairs. Unfortunately, the Reagan administration FY84 budget request portrays a most discouraging policy of dismantling effective programs from education and health to economic development. Indian Tribes have borne an unfair share of past budget cuts and cannot sustain further erosion of Tribal programs. We request that Federal program budgets be restored to the FY82 level and that future appropriations targeted to serve Indian Tribes do just that: support local Tribal administration, human and commercial infrastructure development rather than existing extraneous bureaucracies. Future budget cuts in the BIA/IHS should concentrate at the Central and Area office levels and funding should concentrate at the local agency and Tribal levels.

Considering Lummi Tribal members as its' most valuable resource, Tribal requests for support address the education, health, and shelter needs of the Lummi people and the necessary improvements in Tribal fisheries operations and commercial enterprises for their gainful employment. In education, the Lummi Tribe plans to purchase currently abandoned school facilities located adjacent to the Reservation and offer culturally relevant education for the Tribal children grades K-12. The Tribe needs $62,000 to purchase the facilities and planning funds to prepare for operation in the near future. The Lummi College of Fisheries trains Indian students from the Pacific Northwest on almost every aspect of commercial fishing harvesting/processing operations including actual experience with the Lummi aquaculture project which raises fish and shellfish in a controlled environment to marketable stages. We request that Title IV Indian Education, Impact Aid and Tribally-Controlled Community Colleges appropriations be restored to FY82 levels.

In health, the reduced IHS budegt at the local level has created impossible strains on professional staff capacity at the Lummi Clinic to provide even bare essential care to the Lummi people and the Nooksack Tribal members in the clinic service area. Swinomish and Upper Skagit Tribes also are expected to receive partial direct and contract care with diminishing local budgets. We ask what philosophical justification in OMB would allow budget cuts to invite life threatening conditions from infant mortality to unserved emergencies. Again, we request restoration of the IHS appropriations to FY82 levels, increased support for local clinic operations to at least the previous $200,000 level, and a halt to the continued administration attempts to abolish the effective CHR program.

In housing, the Lummi Tribe has been denied housing assistance since 1976 pending the court-resolved dispute with non-Indian landowners regarding the construction of a sewer line necessary for future housing and commercial enterprise requirements. Five years of Tribal development plans have been thwarted in seeking a costly legal determination of Tribal jurisdictional authority. The litigation has created extensive overcrowding and a backlog of 300 applications to the Lummi Housing Authority totalling approximately $6 million. We request housing assistance either through BIA-HIP or HUD allowing priority consideration in pending allocations due to past restrictions from housing program participation due to court - resolved interference.

In fisheries, the Tribe has initiated a comprehensive program of enhancement, management, and resource protection to improve this renewable natural resource so vital to the Tribe's future. The Lummi enhancement program currently releases 10 million young salmon into Puget Sound contributing substantially to the area economy. Modernization and repair of hatchery facilities at $300,000 and increased support for Tribal fisheries professional staff would greatly improve the Tribal economic position. The Lummi Tribe, in compliance with the U.S. vs Washington ruling, currently patrols 110 miles of ocean from the Canadian border to Seattle including the rough seas in the Strait of Juan de Fuca. A patrol boat, estimated at $100,000 is desperately needed to adequately cover the area. Thus, an approximate $500,000 increase in fisheries monies are needed to adequately address the complex factors impacting an anadroamous fisheries. In this regard, the planned BIA Fisheries Technical Service Unit should be understood as a Tribal resource and not a further expansion of the bureaucracy.

The Lummi Tribe plans to build a commercial and recreational marina. Engineering studies by the Corps of Engineers are currently near completion. The planned harbor facilities will take advantage of commercial traffic from Alaska and the Near East for Export-Import purposes with recreational mooring and support facilities to capitalize on the proximity of the San Juan Island recreational boating areas. The Lummi Tribe currently needs a major road to lead to the marina for transportation access accommodating commercial-recreational transport.

Although not a direct concern of this appropriations subcommittee, the Tribe requests your support for the following:

(1) continued funding of the Salmon and Steelhead Conservation and Enhancement Act at $3 million;

(2) inclusion of labor intensive employment for Tribal government in the planned Jobs Bill;

(3) continue support for the Economic Development Administration; and

(4) the Tribe supports the buy-Indian provisions included in the FY82 Defense Appropriations Bill, and seeks inclusion of these provisions in the FY84 Defense Appropriations Bill and would seek a strengthening of further enforcement language for these provisions related to the Defense Department's contracting policy.

In closing, we repeat for emphasis that Tribes have borne an unfair burden in past budget cuts. If this administration and Congress want to support Tribal development, then financial support must concentrate at the Tribal level.

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## STATEMENT OF VIRGINIA CROSS, MUCKLESHOOT TRIBE, WASHINGTON

My name is Virginia Cross from the Muckleshoot Tribe in Washington State. I have been involved with Indian education since 1964 and have seen many changes and improvements in education for Indian children. The most significant impact, I feel, has been the Title IV Indian Education Act.

The Indian Education Act was mandated to meet the "special educational and culturally-related academic needs of Indian students in the United States." Congress passed the act to provide direct assistance to school districts and tribes, to carry out special programs for these students. In the development of programs, various innovative and creative ideas have been generated. Indian students are finally beginning to be successful in school and are being considered as an integral part of school programs. Now, there is a proposal to eliminate the Title IV Indian Education programs.

It is my hope that Congress will not permit this to happen. I am requesting that you support increased funding for Title IV Indian Education for fiscal year 1983 and that you support reauthorization of Title IV in the fiscal year 1984 budge. Discontinuing the progress of Indian education at this time would only compound the problems our children face.

The President, in his Indian policy statement of January 24, 1983, states that economic development and strong tribal governments are a necessity for Indian people. I concur with his statement, but also ask how it can develop without education and training? The President also states that his administration intends to restore the right of tribal governments to resume control of their own affairs. I fully support the President's message in this regard, and anticipate that he will support the continued need for funding of education programs.

Education is a trust responsibility of the Federal government. Indian tribes should be dealt with in accordance with the rights and responsibilities established by treaties. I am hopeful that the United States Congress will not allow the elimination of any of the programs serving Indian education.

It is my belief that Congress will continue to address the needs of Indian students and will continue to recognize the trust responsibility for Indian education. Indian tribes do want to assume the responsibility for their own affairs, and wish to establish a real government-to-government relationship.

This relationship should include:

1. Direct funding to Indian tribes and organizations.
2. Continued funding to local educational agencies to support tribal needs.
3. Increased appropriations for programs benefiting Indian tribes.
4. Greater tribal participation in government affairs.
5. The appointment of Indian education persons to the National Advisory Council on Indian Education, with recommendatons from tribal governments.

I am also opposed to the state equalization of Impact Aid funds. The Auburn School District has adopted a policy to serve the Indian student needs through the Impact Aid program. Each year, the Muckleshoot Tribal Council and the Auburn School District jointly develop a program for Indian students in the Auburn schools. This plan has worked well and has received much support from the Indian community. If the Impact Aid funds were to be equalized, I think it would jeopardize this program.

Your continued support and interest in the Chewawa Indian School in Oregon is appreciated. Without the Bureau of Indian Affairs School for our high school youth, many would not be able to attend school. I am concerned, however, with the proposed garbage plant and prison within the Chewawa site and oppose the plan. I hope you can intercede on behalf of the Indian students, and will retain your interest in this school.

There has been noticeable progress over the years--we are finally graduating more students and have reduced our "drop-out" rate. Another ten years would have an even greater impact on the Indian community. Our youth will indeed become our leaders of tomorrow with continued support from Congress.

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## STATEMENT OF RALPH MINNICK, SECRETARY/TREASURER, THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

My name is Ralph Minnick. I am the Secretary/Treasurer of the Tribal Council of The Confederated Tribes of the Warm Springs Reservation of Oregon.

I am here to make two requests of this Committee. The first is that Congress mandate the continuation of the timber sale administrative deduction program as it is currently operated. The second is a restoration of 1.9 million dollars to the timber sale administration add-on, bringing it back to its' original level of 7.1 million dollars.

While the subject of my testimony is forestry we also have concerns in the area of education on which we have attached written testimony.

At Warm Springs our annual allowable cut is one hundred million board feet of timber. It is our largest revenue source, and according to United States Forest Service statistics, supports over 1,500 Central Oregon jobs. (EXHIBIT 1).

In 1972, the Bureau of Indian Affairs entered into cooperative management arrangements with timbered tribes. Under these arrangements the tribes shared in the cost of the forest management activities on their respective reservation, through the use of administrative deductions from the proceeds of timber sales. Since 1972 these funds have accounted for 47 percent of the total forestry effort at Warm Springs. (EXHIBIT 2).

Last year, the Interior Solicitor issued an opinion that the above mentioned practice is illegal and that the Department should collect the administrative deduction as a fee and pay it into the Treasury. Despite several reviews concluding that the opinion is incorrect, it has not been withdrawn and the Department has not developed any alternative proposals for maintaining its' trust responsibility for Indian timber.

The Tribe went on record in 1972 stating that the administrative deduction was not nearly enough to clear up the backlog of forest work that was necessary after many years of undermanagement. (EXHIBIT 3).

In 1977, Congress recognized the problem and committed add-on funds to clean up the backlog and provide additional permanent forestry positions. At Warm Springs to date, the forest improvement add-on is responsible for thinning 11,000 acres and planting 2,200 acres. The administrative deduction is responsible for 51,000 acres of thinning and 9,400 acres of planting. Despite these efforts we still have a thinning backlog of 16,000 acres and 21,000 to be replanted. If the administrative deduction program is eliminated, it will be a serious set-back. (EXHIBIT 4). Dollars spent for forest development in Indian forests still lag sadly behind those expended by the Bureau of Land Management, U.S. Forest Service and private commercial forests owners on a per acre basis. (EXHIBIT 5).

The special add-on has been reduced each year for the past three years. Administrative budget reductions, creation of new reservations without additional funding and allocations of management charges to forestry programs have all served to further erode the level of funds available for forest management. In constant dollars, total Forestry Funding at Warm Springs is down 46% from 1978 and sits roughly at the level available in 1973. Of seven new forestry positions provided for Warm Springs in 1978, five were eliminated in 1982.

Today, our local lumber markets are beginning to show strong indications that the economy is picking up. Last week it was reported that January Housing starts were up 36%. It is of vital importance that Indian timber sales be ready for market, to take advantage of this opportunity to restore tribal revenues. Restoring timber sales administrative funding will help assure this.

For these reasons we ask that the current administrative deduction program remain unchanged and that you restore the timber sale administration add-on to its 1978 level, with a renewed mandate that those funds get down to the agency level.

We are most grateful to this committee for its continued support and for this opportunity to share our concerns with you.

Thank you.

ESTIMATED NUMBER OF JOBS AND INCOME 1/ GENERATED PER MILLION

BOARD FEET OF INDIAN TIMBER HARVEST (1980)

| | Per Million Bd. Ft. | | Volume Harvested 1/ | TOTAL | |
|---|---|---|---|---|---|
| State/Region | Jobs # | Income $ | (Millions of Bd. Ft.) | Jobs # | Income $ |
| Washington | 17.6 | 261,000 | 341 | 6,002 | 89,001,000 |
| Oregon | 15.3 | 214,600 | 104 | 1,591 | 22,318,400 |
| California | 14 | 210,000 | 45 | 630 | 9,450,000 |
| Montana | 15.6 | 338,470 | 28 | 436 | 9,477,160 |
| Southwest | 13.6 | 262,700 | 117 | 1,591 | 30,735,900 |
| Lake States 2/ | 14 | 210,000 | 66 | 924 | 13,860,000 |
| Other 2/3/ | 14 | 210,000 | 31 | 434 | 6,510,000 |
| Total | | | 732 | 11,608 | 181,352,460 |

1/ Cash sales only, does not include free-use cutting. FY 1980 is a representative level of production

2/ Data not available. After discussions with USFS, used multipliers obtained from other regions.

3/ This includes the residual 4% of all other timber harvest not classified by region. Figures used same as footnote 2.

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Source: Table 3 and annual timber cutting reports.

Provided by Central Office BIA Staff within September 15, 1982
Report To Secretary of Interior

EXHIBIT 1

WARM SPRINGS BUDGET

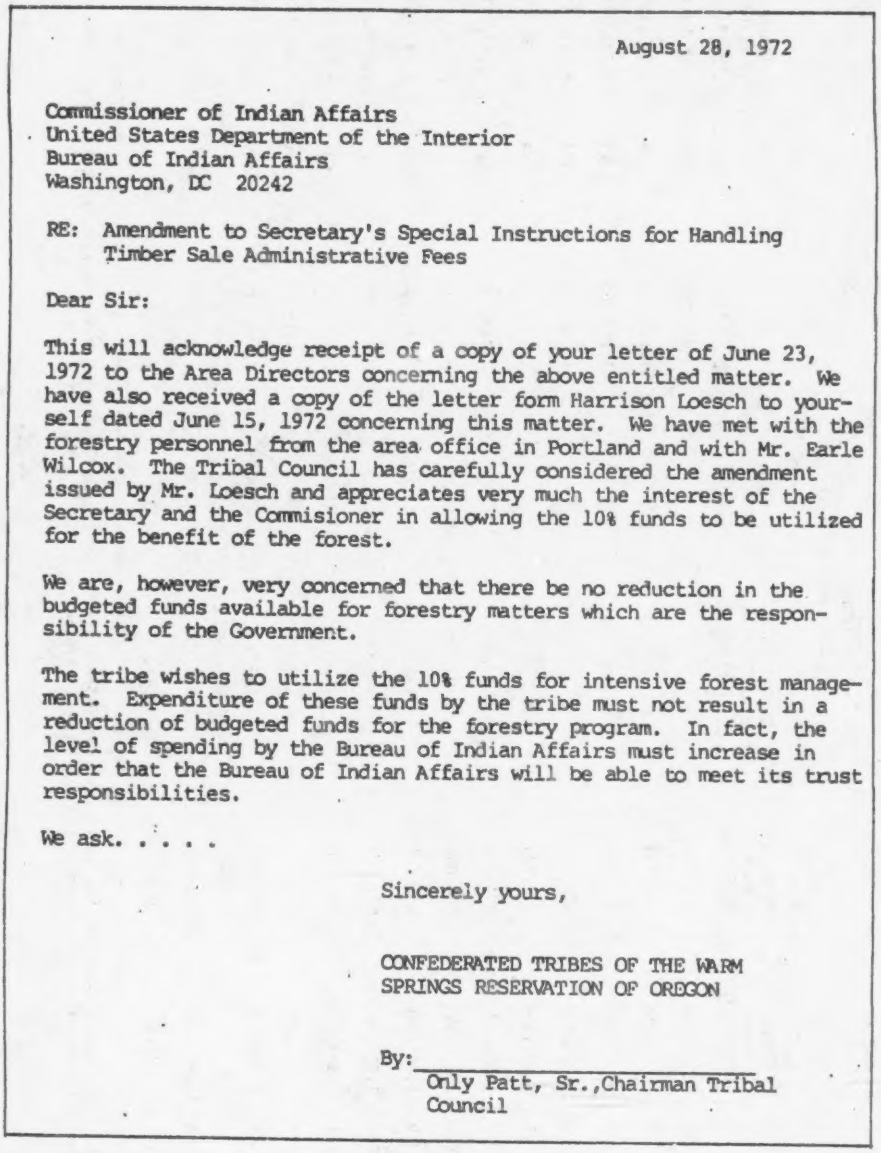
FORESTRY
1972 THRU 1983

| | TRIBAL 10% DEDUCTION | REGULAR AGENCY BUDGET | TIMBER SALE AMINISTRATION ADD-ON | FOREST DEVELOPMENT ADD-ON | TOTAL | VALUE IN 1977 | VALUE INDEXED TO 1977 |
|---|---|---|---|---|---|---|---|
| 1972 | 289,459 | 327,457 | | | 616,916 | 141% | 869,852 |
| 1973 | 766,658 | 353,523 | | | 1,120,181 | 136% | 1,523,446 |
| 1974 | 759,237 | 594,541 | | | 1,353,778 | 128% | 1,732,836 |
| 1975 | 724,973 | 579,581 | | | 1,304,554 | 115% | 1,500,237 |
| 1976 | 937,054 | 742,929 | | | 1,679,983 | 106% | 1,780,781 |
| 1977 | 1,212,771 | 874,291 | 27,700 | 235,000 | 2,349,762 | 100% | 2,349,762 |
| 1978 | 1,376,899 | 696,000 | 198,000 | 600,000 | 2,870,899 | 94% | 2,698,645 |
| 1979 | 1,471,196 | 808,400 | 198,000 | 600,000 | 3,077,596 | 87% | 2,677,509 |
| 1980 | 1,029,727 | 837,100 | 198,000 | 445,000 | 2,499,827 | 78% | 1,949,865 |
| 1981 | 905,110 | 957,300 | 153,400 | 370,000 | 2,385,810 | 69% | 1,646,209 |
| 1982 | 1,063,464 | 1,165,000 | 153,000 | 300,000 | 2,681,464 | 63% | 1,689,322 |
| 1983 | 900,676 | 1,075,900 | 150,000 | 325,000 | 2,451,576 | 59% | 1,446,430 |
| TOTAL | 11,427,224 | 9,012,022 | 1,078,100 | 2,875,000 | 24,392,346 | | |
| % | 46.8 | 36.9 | 4.4 | 11.9 | 100.0 | | |

Value is computed based on the cost of living index published by the Department of Labor, Bureau of Labor Statistics, all urban consumers U.S. city average (annual average 1976 base)

EXHIBIT 2

TRIBAL LETTER RE: Additional Funding Needs



August 28, 1972

Commissioner of Indian Affairs
United States Department of the Interior
Bureau of Indian Affairs
Washington, DC 20242

RE: Amendment to Secretary's Special Instructions for Handling Timber Sale Administrative Fees

Dear Sir:

This will acknowledge receipt of a copy of your letter of June 23, 1972 to the Area Directors concerning the above entitled matter. We have also received a copy of the letter form Harrison Loesch to yourself dated June 15, 1972 concerning this matter. We have met with the forestry personnel from the area office in Portland and with Mr. Earle Wilcox. The Tribal Council has carefully considered the amendment issued by Mr. Loesch and appreciates very much the interest of the Secretary and the Commisioner in allowing the 10% funds to be utilized for the benefit of the forest.

We are, however, very concerned that there be no reduction in the budgeted funds available for forestry matters which are the responsibility of the Government.

The tribe wishes to utilize the 10% funds for intensive forest management. Expenditure of these funds by the tribe must not result in a reduction of budgeted funds for the forestry program. In fact, the level of spending by the Bureau of Indian Affairs must increase in order that the Bureau of Indian Affairs will be able to meet its trust responsibilities.

We ask. . . . .

Sincerely yours,

CONFEDERATED TRIBES OF THE WARM
SPRINGS RESERVATION OF OREGON

By:__________________________
Only Patt, Sr.,Chairman Tribal
Council

EXHIBIT 3

## WARM SPRINGS FOREST

| | Acres Thinned Administrative Deduction | Acres Thinned Forest Development Add-on | Acres Planted Administrative Deduction | Acres Planted Forest Development Add-on |
|---|---|---|---|---|
| 1972 | 1298 | | 870 | |
| 1973 | 6510 | | 522 | |
| 1974 | 4824 | | 1122 | |
| 1975 | 8378 | | 1210 | |
| 1976 | 9376 | | 746 | |
| 1977 | 6563 | | 1174 | |
| 1978 | 5970 | 3215 | 409 | 205 |
| 1979 | 1620 | 2237 | 802 | |
| 1980 | 1314 | 2334 | 794 | 16 |
| 1981 | 3927 | 2023 | 337 | 910 |
| 1982 | 1421 | 1286 | 1489 | 1079 |
| TOTAL | 51,201 | 11,095 | 9,475 | 2,210 |

BACKLOG REMAINING

| Thinning | Planting |
|---|---|
| 16,358 Acres | 21,154 Acres |

SOURCE: Forestry Department, BIA Warm Springs Agency

EXHIBIT 4

## COMPARISON OF EXPENDITURES FOR FOREST DEVELOPMENT ACTIVITIES
## THREE FEDRALLY-FUNDED AGENCIES AND INDUSTRIAL TREE FARMS

| Organization | Commercial Forest Area, 1981 (Millions of Acres) | Average Expenditures Per Acre of Commerical Forest Land | | | |
|---|---|---|---|---|---|
| | | 1971 | | 1981 | |
| | | Am't/Acre | Percent of BIA | Am't/Acre | Percent of BIA |
| ureau of Indian Affairs | 5.7 | .08 | 100 | 1.67 | 100 |
| .S. Forest Service | 89.0 | .52 | 650 | 2.34 | 140 |
| ureau of Land Management | 3.5 1/ | .68 | 850 | 7.39 | 443 |
| ndustrial Forest Assoc. (Tree Farms, Wash. & Oregon) | 7.4 2/ | .76 | 950 | 5.47 2/ | 328 |

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/ Area administered by BLM is exclusive of lands in Alaska

/ "1981" area and expenditures for IFA lands are for 1979, the most recent data available at time of data compilation.

Information was provided by Mr. Earl Wilcox who was chief forester in BIA during 1972 when the Administrative Deduction Program began. The 1971 comparison was compiled by him at that time and utilized to support the need for the action taken. It was updated in 1982, by him, at the request of the InterTribal Timber Council.

EXHIBIT 5

## STATEMENT OF THE NATIONAL AMERICAN INDIAN COURT JUDGES ASSOCIATION

The National American Indian Court Judges Association (hereinafter referred to as NAICJA) was chartered in 1968 and is a service oriented association which is representative of Indian court judges throughout the country. Presently, 140 Indian courts and 287 judges make up the Indian judiciary. Our organization offers technical assistance and training to its members in cooperation with the Judicial Services Branch of the Bureau of Indian Affairs. It does no lobbying. Recently, we conducted an assessment of the impact that increased funding has had from 1977 to 1982. This assessment produced some interesting statistics. Based on the data gathered it appears that the Indian judiciary is grossly under-funded. It is currently under-funded by approximately 75% or conversely Indian courts are receiving only one/fourth of their current funding needs. My conclusion is based upon the following:

Within the past five (5) years the Indian judiciary has increased in size (numbers) by 100%, Indian court personnel has increased by 100%, whereas case-load has increased by 860%. This seems to indicate that the Indian judiciary is growing both in size (number of courts established) as well as in the number of cases being heard by established systems. The Bureau of Indian Affairs' (BIA) funding has increased during this five (5) year period but it has not increased in proportion to the demands placed upon the Court system. BIA's funding has increased from approximately $200,000 in 1977 to $7.6 million in 1982. At first blush this appears to be a substantial increase. Nonetheless, salaries for Indian court personnel remains relatively low (Judges approximately $12,000 and clerks $8,000). Additionally, when this increase is compared to the Indian judiciary as it has grown, this equates to only $55,000 per court system. This $7.6 million compared to the current Indian court caseload equates to approximately $55.00 per case. A recent study conducted by the Rand Corporation of the cost per case in California, Florida, and Washington yields a $300.00 to $500.00 as a cost per case. The BIA's funding increase for last year merely added $7.00 to the sum computed as a cost per case. Without a doubt no other conclusion can be formed except that the Indian judiciary is currently under-funded. Based upon my experience in court operation I am of the opinion that BIA's funding is just one/fourth of the required amount necessary to operate a viable system. In short, the Indian judiciary currently needs approximately 21 million dollars so that it can adequately fulfill its responsibilities.

Increasing demands which are being placed upon the Indian judiciary will make an adequate and proper appropriation to the Judiciary more critical. For example, there are increased pressures from the non-Indian and Indian communities to expand the jurisdiction of Tribal courts. We welcome this chance, but cannot properly assume the additional responsibility without adequate monetary support. Tribal courts are playing a more dominant role as Indian tribes increasingly exercise their right of self-determination. Tribal courts will be an intricate part of economic development on the reservation and self-sufficiency. This organization and its members stand dedicated and ready to create a viable judiciary which will dispense equal justice, but we need the monetary resource. This organization and the Indian courts are prepared to take on the responsibility of expanding the limitations imposed by the Indian Civil Rights Act of six months imprisonment and $500.00 fine to include offenses committed by Indian and non-Indian defendants with no maximum.

We want to work with the Department of Justice to address the voids and problems associated with the Major Crimes Act and its application on the reservations. We want to be prepared to hear the Civil cases which may be brought by both Indian and non-Indian within the exterior boundaries of the reservation which may involve complex issues and millions of dollars. We want to provide the required training in substantive law subject matters and in court administration. We would like to see the creation of a National Indian Justice Center. But all of this cannot take place unless or until there is adequate and appropriate funds available. The NAICJA sponsored American Indian Justice Center cannot be started today because the current funding level will not permit it. In fact, the current funding level technically will not permit any further growth of the Indian judiciary, but unfortunately the system is growing and developing. The lack of necessary funds is making this system anemic.

As officers of NAICJA, we are requesting two things: (1) a dramatic increase in funding for Indian Courts (from $7.6 million to $21 million), and (2) that a special hearing be scheduled with the appropriate subcommittee so that the pressing issues associated with the Indian judiciary be adequately addressed, quanitifed and funded.

Because there are many threats to Tribal Court budgets, we are requesting that the conference language state that the approved operating budget be earmarked specifically for Tribal Courts and that training funds be earmarked for NAICJA, the Tribal Court Judges organization.

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## Statement of the Squaxin Island Tribe

The Squaxin Island Tribal Council appreciates the support we have received from your committees in the past which have allowed our Tribe to realize dignity through an improved standard of living thereby realizing overall organizational progress. Federal budget cut-backs and amended regulations are having a devastating effect on our present programs and are destroying any hopes of continued progress for the benefit and protection of our members.

The Squaxin Island Tribe needs continued support from your respective committees. Support that can be consistent with the President's Indian Policy and its Government to Government relationship. To cut Tribal programs would only serve to perpetuate existing bad economic conditions on the reservations and would therefore not be consistent with the Federal Government's stated policy.

### TRIBAL LAW ENFORCEMENT

The Squaxin Island Tribe has a contract with the Bureau of Indian Affairs for Land Enforcement Services for FY 83 and have had the same contract for FY 82 and 81. These funds in the past have not been included in the BIA's banded budget.

We have been notified that $1.3 million up to and including FY 83 had been unbanded but in FY 84 $800,000 of the 1.3 million would be banded. The remaining $500,000 would cease to exist. Mr. Eugene Suarez, Division of Law Enforcement Services, Washington, D.C., explained at a meeting in Portland Oregon, February 2, 1982 (of Law Enforcement Officers) that two Tribes including Squaxin Island, in all probability, would not be refunded in FY 84.

Our Law Enforcement people had been working with r. Suarez to include our Enforcement funds for FY 84 in the Band. Our people felt assured that he had accomplished this. You can imagine their surprise at the above announcement.

Our proposal for FY 84 is $40,000 (see attachment I) for our Land Enforcement Services Contract. This contract is very important for the continued protection of our members and their property. the Squaxin Island Tribe is requesting your support by appropriating a line item of $40,000 for FY 84, and that you also direct the BIA to include these funds in their future funding banded system for the Squaxin Island Tribal Land Enforcement Services Contract.

The BIA, due to a solicitors opinion (see attachment II), has recognized the fact that Squaxin Island has a definite need for Land Enforcement Services for the protection of our members and their property on non-P.L. 280 reservation lands. Without this contract the BIA would be directly responsible to furnish "personnel and equipment" for this continued protection on a regularly scheduled basis and with their already limited budget this would definitely be next to impossible. However, the Tribe, with limited available facilities and equipment and with the minimal proposed Land Enforcement Contract of $40,000, could furnish this protection.

Attachment III is a report showing how the Tribe utilized these funds in FY 82 and the first quarter of FY 83. Attachment IV is a Tribal Resolution requesting that the funds be banded.

## HEALTH SERVICES

THE SQUAXIN ISLAND TRIBE WANTS TO GO ON RECORD AS SUPPORTING, IN FULL THE NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD'S TESTOMONY. (attachment No. V)

## CHR PROGRAM

The Squaxin Island Tribe requests that funds be made available in FY 84 and in the future for the Community Health Representative Program.

The CHR Program provides Indian-trained personnel to serve as cross cultural liasons between Health Care Professionals for on-reservation Indian residents and those in the Tribal service areas.

Squaxin Island's CHR Program has been very successful in bringing health care to patients who may not have received treatment otherwise. Many of these cases represent tribal elders, poverty level families and neglected/abused children. The CHR Program is essential not only to the Tribe but for the continued protection of our members.

The Squaxin Island Tribe feels contrary to the present administration's belief that the CHR Program is "primarily a non-patient care activity." This Program does provide the first line of contact for Indian people who are sick and cannot get to a clinic. The way to combat poor health is not by terminating badly needed Health Programs, but by providing adequate preventive care as is done by Tribal CHRs.

## INDIAN HEALTH CARE IMPROVEMENT ACT

The Squaxin Island Tribe urgently requests the Appropriations Committee to continue to oppose any further recommendations by the Adminstration/ O.M.B. to cut funding for Indian Health Service. IHS cannot do an affective job now to meet the health needs of Indian communities.

A prime example being our Tribe's continued need to address the concept of increasing services for direct care, mental health, alcohol counseling, day care, family services, etc., in an effort to reduce the stress levels in Indian communities as identified in our Tribe's Long Range Health Plan.

This Act will need the cooperation of the Appropriations Committee next year and in future years to obtain adequate appropriations to implement this important legislation.

Quarterly reports on the above are available upon request. Call (206) 426-9781 or FTS 434-9573,

## EDUCATION

The Squaxin Island Tribe is striving to make a better life for our members. A better life starts with education, from pre-school to higher education.

The United States Congress cannot continue to cut Indian Education Programs. Low levels of education perpetuate low standards of living, high unemployment and subjects Indian people to a depressed economic condition.

The Squaxin Island Tribe's higher education program requirements have been $25,000 per year but in FY 82 the Tribe received only $6,000. This again was cut 55% for FY 83 to $2,500. These drastic cuts have eliminated the opportunity for a majority of our students with a direct need for financial assistance to pursue their chosen careers.

These same reductions are prevalent in other education related programs, such as Title IV of the Indian Eduction Act (P.L. 92-318). This law initiated some positive efforts to allow Tribes and Indian parents to become involved in Public School Education Policies. This Title cannot be cut without reiterating the remarks of Secretary Watts, January 18, 1983 that Indian people are the most uneducated people in this Nation.

Pre-school education funds need to be appropriated at a sufficient level to assure affective programs on reservations to allow Indian children the opportunity to enter elementary school with some awareness towards academic achievment and to encourage the younger Indian students to complete their vitally required education for future career development.

Vocational Education needs to be continued with increased funding to offer specialized training to those who choose not to pursue a college education or may not have the finances to do so.

The Squaxin Island Tribe is not only requesting adequate funds to be appropriated for the above educational needs but sufficient time to afford our Tribe the continued opportunity to assist and promote the education of our children

## INDIAN CHILD WELFARE

THE SQUAXIN ISLAND TRIBE WANTS TO GO ON RECORD AS SUPPORTING THE TESTIMONY OF EVELYN BLANCHARD, PRESIDENT, ASSOCIATION OF AMERICAN INDIAN AND ALASKA NATIVE SOCIAL WORKERS, INC. (attachment V with attached fact sheets)

The Squaxin Island Tribe does herein request the appropriation of adequate funds for the continued implementation of the Indian Child Welfare Act. Tribes are just beginning to break down the barriers that have created many inequities. Courts have been extremely lax or blatantly complacent in enforcing the Act. Legislative procedure has not been established to insure that appropriate State Agencies, court systems and private agencies are in compliance with the Act. In Washington State it appears the Assistant Attorney General's Office has continued to cite the State's responsibility to impose Child Protection/Abuse Investigation on Reservations where Tribes have exclusive jurisdiction even though the State has no authority to remove the child in emergent danger or refer the matter for court action.

There are many such issues as stated herein that create stumbling blocks for all Tribes utilizing Indian Child Welfare Programs. Perhaps these issues should receive the attention of and entity such as a joint fact finding committee to solicit testimony from expert tribal witnesses. We see a need to enact an effective monitoring of Tribes as they implement their programs.

Since the Act came into existence in 1978, the effect of the funding has considerably hampered the continuing efforts of Tribes to properly implement the provision required within this legislative action. Funding has decreased rather than increased, leaving Tribes with the task of seeking funds through a variety of State, Federal and Private agencies, thereby lessening the service delivery to their clients due to their inability to provide a comprehensive ongoing program from year to year. As in the past Tribes have had to resort to competing for these limited dollars, causing additional hardship on smaller Tribes who already are working with diminishing funds and fewer access to these monies.

We the Squaxin Island Tribe, reinterate the urgnecy to appropriate additional funding to support Tribes in their efforts to self-determination in implementing the Indian Child Welfare Act.

## CONCLUSION

In conclusion, I would like to emphasize that these recommendations of the Squaxin Island Tribe of Indians are consistent with the "President's Indian Policy" and "Government to Government" relationship. to cut appropriations for Tribal Programs would only serve to perpetuate existing bad economic conditions on reservations, and is therefore not consistent with the Federal Government's stated policy.

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## STATEMENT OF JOHN WEATHERLY, PRESIDENT, NEBRASKA INDIAN COMMUNITY COLLEGE

### COMMITTEE ON APPROPRIATIONS

Mr. Chairman and distinguished members of the Committee. My name is John Weatherly. I am President of the Nebraska Indian Community College with campus sites in Macy, Santee and Winnebago, Nebraska. I would like to thank the Committee for this opportunity to express our concerns regarding appropriations of P.L. 95-471, the Tribally Controlled Community College Act of 1978. Many of the concerns expressed here today are common to all of those concerned with the future of Indian education. The following testimony will describe the history and present plans for the Nebraska Indian Community College which serves the Omaha, the Santee Sioux, and the Winnebago Tribes of Nebraska.

### INSTITUTIONAL NARRATIVE

In 1973 the American Indian Satellite Community College was organized as a branch of Northeast Technical Community College to provide a variety of post-secondary educational programs on the Omaha, Santee Sioux, and Winnebago Indian reservations in Nebraska. With the advent of Public Law 95-471, Tribally Controlled Community College Act of 1978, the three tribes chartered and organized the Nebraska Indian Community College.

NICC is composed of three campus sites. The main central office is located in Winnebago, Nebraska with two other coordinating campuses in Santee, and Macy, Nebraska. The three campuses are located in northeast Nebraska. Winnebago and Macy are eleven miles apart and Winnebago and Santee one hundred miles apart. The largest community, Macy, has a population of nearly 1600 and the smallest community, Santee, has a population of 500, while Winnebago has approximately 1300 residents.

In serving its clientele, NICC has had substantial impact by making a variety of cultural, educational, and social resources available in isolated and economically underdeveloped areas. At the invitation of the tribes, NICC faculty and staff have participated in planning and operation of programs in housing, law enforcement, business and economic development, agriculture and the arts. The college libraries at each campus are becoming repositories for archival materials important to the history and culture of each tribe and the nation. These short-term impacts have yielded benefits in human and economic development, improved management skills and changed attitudes about post-secondary education. Thus far it can be assumed that the impact is influencing the entire three cultures, surrounding cultures, and nation but how, and how much is uncertain. The long-range effects in Indian education will take additional support and comprehensive assessment measures to determine the impact.

The College was successful in its first year of independence 1980-81, to gain candidacy status towards full accreditation on June 30, 1981 from North Central Association of Colleges and Schools. Of the approximately 5000 Indians residing on the three reservations, nearly 50 percent or2500 have received education courses from NICC. Three NICC graduates have served as tribal chairman, a fourth chariman is a former NICC student. At least eighteen directors of tribal programs have been or are currently NICC students. Of the thus far 101graduates, 88 are now employed or attending a four year college.

## STUDENT CHARACTERISTICS

The Nebraska Indian Community College is a coeducational Indian focused liberal arts and vocational education institution chartered by the three tribes of Nebraska. The college admits students 16 years or older who have a high school diploma or general equivalency diploma. The College grants the following degrees: Associate of Arts, Associate of Science, and Applied Science, in addition, the College offers a special curriculum which provides technical training in the construction trade, agriculture, early childhood development, and self-sufficient living. To strengthen the science curriculum NICC was awarded a National Science Foundation grant for two years (1980-1982). A side effort of this project is to reduce science anxiety, whereby students study the diverse ecosystems on and near the three reservations via intensive field study courses. The result of this pilot study is a book soon to be published by NICC through its Graphic Arts Department which offers ten cooperative education students credit, salary, and an Associate of Arts degree.

The College is sanctioned by the three tribes to serve Indians and non-Indians and to be the role model for bettering human resources and is based on a philosophy of self-sufficiency. Tribal leaders recognize the sizeable reservoir of potential college students in this tri-tribal area and the opportunities of these students to successfully complete post-secondary education. They also recognize that desipte a 25 percent budget cut last year and a 30 percent increase in student enrollment, the College did not terminate any employee while every other tribal program had to institute a reduction in force. Regardless of limited financial resources, the College is striving to attract and retain as many staff and students as it possibly can. By strengthening and expanding its academic programs and developing student services, NICC believes it will be able not only to enroll, but also to retain larger numbers of students.

Despite strong cultural divergence among the three tribal student populations they do share several problems: 1) geographical isolation from centers of employment, education, commerce, and social services compounded by severe climate and road conditions; 2) low income levels, the mean household income being $6,556 for an average family size of 4.5; 3) high unemployment rate averaging 43.27 percent in 1979 and increasing to over 60 percent in 1982; 4) heavy dependence on subsidized employment; 5) relatively low educational levels, 42 percent do not have high school diplomas or Graduate Equivalency Degree certificates; 6) high turnover in public school staffs; 7) high rates of alcohol abuse and; 8) inadequate medical care. A major problem revolves around the recent cuts in federal budgets and thus human service programs. National economic problems have caused numerous off reservation Indians to return to the reservation where strong family and tribal ties provide support, however for these people economic conditions worsen.

The following tables better describe the Nebraska Indian Community College student population characteristics, student retention rates, and number of graduates from 1977-1982 (See attached Tables: #1, #2, #3)

Table #1 indicates that the student population is increasing and ranges from 17.2 percent each year to 33.8 percent with the average increase being 25.2 percent each year. Thus, Indians through the opportunities provided by institutions such as NICC are trying to better their education and employability.

Table #2 shows the total student population retention rate steadily decreasing from 70.3 percent in 1977 to 44.3 percent in 1982. While the student population is increasing at a much greater rate than the national post secondary rate the amount of revenue available to meet student needs has not increased and in 1983 was cut by 25 percent. The college is unable to increase the number of staff and faculty to meet the increasing student population needs and students are dropping out at an increasing rate.

Despite the increasing student population and increasing budget cuts, Table #3 indicates that 101 students graduated from 1977 to 1982. However, the number of graduates has decreased from 25 in 1977 to 12 in 1981, and 20 in 1982. Again, the increasing student population without matching revenues and staff to meet the increased student needs has caused fewer graduates.

Of the 101 graduates, 88 are now employed or attending a four year college. It is clear that the students attending the Nebraska Indian Community College are attempting to improve themselves through education. The college's primary problem is inadequate resources-fiscal and human to retain and graduate tax paying citizens.

Efforts to curb the increasing drop-out rate and decreasing number of graduates requires additional fiscal support.

Further, it is our opinion that we need an additional 30 percent funding per FTE or $3,656 to retain 50 percent or more of our students and produce 30 or more graduates per year. Optimal funding of $4,000 per FTE would allow us to compete at par with our sister institutions and become a full institution. For instance, like other institutions we do not have:

1. cafeterias,
2. dormitories,
3. athletic teams,
4. student lounge,
5. belong to athletic conference associations,
6. student fraternaties, sororities, or other social organizations,
7. have student radio, TV or newsletter,
8. have faculty council,
9. research laboratories,
10. mechanical garages for auto-truck repair.

I mentioned the above because they are functions that allow holistic human growth. We know that nearly 50 percent of a student's education occurs outside the class by participating in the above activities that our sister institutions do offer.

## MAJOR INSTITUTIONAL UNIT OBJECTIVES

Presently the college does not have a research, development or a planning unit. The college is without sponsored research projects and faculty publications. The library is extremely limited, with no media storage areas, no technical work space and production and maintenance facilities are nearly non-existent. The college has open admissions policy but does not have diagnostic tests for measuring student mathematic, reading, writing, and English skills level. Nor does the college have any educational, career, or personal counselors, any new student orientation or retention programs or a learning developmental program to strengthen basic skills. Without these necessary resources the top administrators, faculty, staff, and students are dissatisfied and challenged to seek resources that will improve self-sufficiency. The funds of P.L. 95-471 are meant to strenghten the college's overall needs for; stable management, increased student support programs, a research and development unit and comprehensive student, academic, faculty, staff development projects. The purpose of this testimony is to secure multi-year funding resources for necessary development and continuity leading to self-sufficient quality programs for the betterment of society. Currently the college is without the resources to accomplish its mission and goals. The challenge for a fragmented twentieth century America is to realize that America needs to invest now in the tribally controlled community colleges to assure American Indian educational and economic transition into the coming science based, high technology, and communication society that the rest of America is entering.

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## STATEMENT OF TONEY ANAYA, GOVERNOR, STATE OF NEW MEXICO

### SUMMARY

This statement is submitted in support of appropriations to the Bureau of Indian Affairs (BIA) to continue construction and operation and maintenance of the Navajo Indian Irrigation Project (NIIP) which, in recognition of the obligation of the United States to the Navajo Tribe, was authorized in 1962. The project, located in the northwestern corner of New Mexico, will furnish water for the irrigation of 110,630 acres of land and will provide a higher standard of living for 33,000 Navajos.

In 1980 the Bureau of Reclamation (BR) and the BIA differed on the water delivery capability of the project works and the productive acreage to be served by the works. Because of uncertainty about the appropriate water delivery capacity only $3 million was appropriated for fiscal year (FY) 1983 and the FY 1982 appropriation provided only $4,825,000 for continued construction of NIIP, as compared to $11,480,000 in FY 1981 and larger amounts in previous years. The problem of water delivery capacity and increased productive acreage has been resolved by written agreement between the Interior Assistant Secretaries for Land and Water Resources and Indian Affairs.

The Office of Management and Budget (OMB) has entertained continuing concern about the ability of BIA and the Navajo Tribe to subjugate and manage additional acreage at this time. The on-farm management problems were studied by a management task force appointed by BIA and a report was submitted to the appointing official in December 1981. In April 1982 a task force appointed by Assistant Secretaries for Land and Water Resources and Indian Affairs made a report which was followed by a supplemental report submitted in December 1982. Both of the reports were positive. A prompt decision on the on-farm management problem would make it possible to continue construction of Block 6 in FY 1984 and an appropriation of $6 million in construction funds would be required. After 21 years the project is only 43% complete. I urge that at least $6 million in construction funds be included in FY 1984 BIA appropriation for the project.

The FY 1984 budget for BIA includes $4.5 million for operation and maintenance of the project. I fully support an appropriation of this amount in the FY 1984 budget.

### STATEMENT

The 1868 Treaty between the United States of America and the Navajo Tribe of Indians provides that any Navajo being the head of a family and desiring to commence farming shall have the privilege to select 160 acres in the Navajo Reservation to be held in the exclusive possession of the person selecting it and of his family so long as he or they continue to cultivate it. The treaty further provides that any person over 18 years of age not being the head of a family may in a like manner select and hold 80 acres within the reservation for purposes of cultivation. The Treaty further provides that the Navajo head of a family is entitled to receive seeds and agricultural implements to help him get started in his farm enterprise. Even a casual examination of precipitation records shows that irrigation is essential if these Treaty provisions are to be given effect of much significance.

The law which authorized the Colorado River Storage Project in 1956, Public Law 84-485, explicitly recognized that assistance to the Navajo Tribe in the form of an Indian irrigation project is the responsibility of the entire nation. The Navajo Indian Irrigation Project was authorized in 1962 by Public Law 87-483 to meet the obligation implied in the 1868 Treaty and explicitly recognized by the Colorado River Storage Project Act.

The desperate needs of the Navajo Tribe have been the subject of much concern to the people of the United States. Construction of the Navajo Indian Irrigation Project could do much to alleviate the grinding poverty suffered by the 150,000 people of the nation's largest Indian tribe.

When it is completed, the Navajo Indian Irrigation Project will have a profound effect on the economic and social life of the Navajo Tribe. Not only will 2,500 to 3,000 people be employed directly in the farming activities, there will also be substantial opportunities for employment and involvement for two and one-half to three times that number in the agri-business and service and supply activities associated with the farming operations. The workers and their families will require housing, schools, police and fire protection, and all the services connected with daily living. This will furnish employment for many thousand others.

Funds to initiate construction of the project were first appropriated for FY 1963 and the construction schedule called for the delivery of the first water on the lands in 1970. With the initial delivery of water to the first 10,000 acres delayed until 1976, the most realistic goal is now the addition of a block of 10,000 acres each year until the project is completed. Facilities to serve Blocks 1, 2, 3, 4 and 5 have been completed, and irrigation water was provided all five blocks in the 1982 crop year.

No additional major construction was scheduled for FY 1982 and 1983 because of a difference between the Bureau of Reclamation and the Bureau of Indian Affairs (BIA) on the appropriate delivery capacity of the works and the amount of productive acreage to be developed and because of the Office of Management and Budget's concern about the capability of the BIA and the Navajo Tribe to subjugate and properly manage additional acreage at this time. The problem of water delivery capacity and increased productive acreage has been resolved by written agreement between the Interior Assistant Secretaries for Land and Water Resources and Indian Affairs. The problem of on-farm management has been studied by a management task force appointed by BIA. The task force report was submitted to the appointing official in December 1981. In April 1982 a task force appointed by the Assistant Secretaries for Land and Water Resources and Indian Affairs reported and a supplemental report was submitted in December 1982. Both reports were positive. The FY 1984 budget proposes no construction funds. A prompt decision on the on-farm management problems would make it possible to continue construction of Block 6 at a reduced pace, i.e., one-half block, in FY 1984; an appropriation of $6 million would be required.

After 21 years the project is about 43% complete in terms of total cost. Delaying completion of the Navajo Indian Irrigation Project defers realization of the full benefits of the $228 million already invested in the project. I urge that at least $6 million in construction funds be included in the FY 1984 BIA appropriation for the project.

The FY 1984 budget for BIA proposes $4,500,000 for operation and maintenance of the project. I fully support that proposal.

I appreciate this opportunity to present my views on appropriations to the Bureau of Indian Affairs for the urgently needed Navajo Indian Irrigation Project.

## STATEMENT OF CAROL C. JUNEAU, PRESIDENT, BLACKFEET COMMUNITY COLLEGE, BLACKFEET RESERVATION

Mr. Chairman and distinguished members of the subcommittee, the Blackfeet Community College is honored to present this written testimony supporting Fiscal Year 1984 Appropriations for P.L. 95-471, the Tribally Controlled Community College Assistance Act of 1978.

Your help is needed by voting in favor of a minimum of $3,100.00 per eligible Indian FTE for P.L. 95-471 for Fiscal Year 1984. This is well within the authorized amount of $4,000.00 per FTE in the bill.

Blackfeet Community College, BCC, is located on the Blackfeet Indian Reservation in Montana. BCC is now in its 7th year of operation and is currently providing higher educational services to approximately 300 students per quarter (full and part-time); offers six (6) complete programs of study to the community; provides supportive student services in counseling, financial aid, and other supportive services; has a developing library; and has graduated 54 students with Associate of Arts Degree or Associate of Applied Science Degrees in the past six years (not including Certificate programs, which are primarily one-year or less in length).

Blackfeet Community College has received funding from P.L. 95-471 since Fiscal Year 1980 and contributes many of its achievements to the financial support of P.L. 95-471. BCC is now looking towards the future and has identified new long-range goals through updated needs assessments and the long range plan, and will need the continued support of P.L. 95-471 to meet these new challenges. One of these new goals is to achieve Full Accreditation as an Institution of Higher Education with Northwest Association of Schools and Colleges (NWASC) on or before 1985-86 program year. (At the current time, BCC has Candidate Status for Accreditation). A major requirement of NWASC for full accreditation is a stable financial base as outlined in the guidelines of NWASC below:

> "The financial resources of a postsecondary institution determines, in a large part, the quality of its educational program....Endowments are highly important to non-tax supported institutions....Public, private and proprietary institutions shall exhibit adequacy and stability of income as measured by at least three years' history....Income shall be measured per full-time equivalent student rather than in terms of gross amounts of income. Income shall also be measured by type of income and ordinarily each of the traditional sources should collectively reflect adequacy and stability."

Therefore, from these guidelines, the importance of P.L. 95-471, which is the primary source of operational grant funds on a FTE formula basis for BCC is of critical importance in achieving our Accreditation goals.

Alternative resources for financial support continues to be a major goal of the college, but the outlook for adequate support through alternative resources is extremely limited in this time of economic restraints, budget cuts, and program closures. Some examples are listed below:

1. Tuition costs: At present time BCC keeps its tuition costs low ($15.00 per quarter hour credits) as the economic structure of the Blackfeet Reservation cannot face increasing tuition costs - the unemployment rates are extremely high and people just do not have the financial resources to meet high tuition costs.

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[1] Accreditation Handbook, Northwest Associaiton of Schools and Colleges, Commission on Colleges, 1982 edition.

2. Vocational Education 1% Set Aside Program: Thre are no funds available for new competition for 1983-84, just enough to fund continuing programs.

3. Title IV Indian Education: This program took a major cut for FY 1983, is being proposed for a phase down in FY 1983 with a recission and total closure in FY 1984. This program does provide funding for teacher training programs, adult education programs and other Indian Education projects.

4. Private/local funding: BCC is currently pursuing funding via private foundations and corporations. But, these are highly competitive funding resources and not providing any major financial impact to the college at this time.

The amount requested per FTE of $3,100.00 is quite comparable to the State of Montana.

Montana State Colleges currently receives $3,257.00 per student as outlined in the Chronicles of Higher Education for 1982-83 which is ranked No. 35 of the 50 states in comparision.

P.L. 95-471 is needed to allow Tribal Colleges to continue to develop and serve their respective reservation communities. Without P.L. 95-471 funding, BCC would face potential closure and without adequate appropriations for P.L. 95-471 BCC will need to cut back in its services to students. We need your help so this will not be necessary. Vote to support adequate appropriations for FY 1984 for P.L. 95-471, the Tribally Controlled Community College Assistance Act.

A statistical summary page of the 4 year's of P.L. 95-471 funding for Blackfeet Community College is attached.

Again, thank you for your help.

BLACKFEET COMMUNITY COLLEGE - STATISTICAL OVERVIEW OF PROGRESS 1979-80 THROUGH 1982-83 ESTIMATES

| YEAR | ENROLLMENT TOTAL-FULL-TIME & PART-TIME | ELIGIBLE FTE ONLY | AMOUNT PER FTE | P.L. 95-471 GRANT AWARD | GRADUATES AA OR AAS | NO. OF COURSES OFFERED |
|---|---|---|---|---|---|---|
| 1979-80 * | 304 | 84.0 | $3,151.00 | $264,761 | 6 | 105 |
| 1980-81 | 576 | 184.0 | $3,060.00 | $563,198 | 10 | 212 |
| 1981-82 | 700 | 211.33 | $2,821.00 | $596,199 | 26 | 219 |
| 1982-83 | 700 Est. | 200.00 Est. | $2,812.00 | $562,400 Est. | 30 Est. | 266 Est |

*the FY 1980 grant award was not distributed until June 1980 (near the end of the fiscal year) therefore; the Enrollment and FTE is low as funds became available after the academic year was over.

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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TUESDAY, MARCH 1, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2 p.m., in room SD–138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## DEPARTMENT OF THE INTERIOR

### BUREAU OF MINES

### STATEMENT OF ROBERT C. HORTON, DIRECTOR

ACCOMPANIED BY:
- DANIEL N. MILLER, JR., ASSISTANT SECRETARY, ENERGY AND MINERALS
- JAMES F. McAVOY, DEPUTY DIRECTOR
- JOHN D. MORGAN, JR., CHIEF STAFF OFFICER
- ROBERT J. LAMB, ACTING BUDGET OFFICER
- KRISTINE M. MARCY, DEPUTY DIRECTOR, OFFICE OF BUDGET, OFFICE OF THE SECRETARY

#### PREPARED STATEMENTS

Senator McCLURE. The committee will come to order.

Good afternoon. This is the time scheduled to review the fiscal year 1984 budget requests of the Department of the Interior's Bureau of Mines and the National Gallery of Art. We will begin with the Bureau of Mines, whose fiscal year 1984 appropriation request is $117,583,000, a decrease of $25,575,000 from the fiscal year 1983 appropriated level of $143,158,000.

I understand that Mr. Pendley has been called away. His statement will be made a part of the record.

Mr. Robert C. Horton, Director of the Bureau of Mines is representing the Department at this time. I want to welcome you and the others with you.

The other written statements will also be made part of the record at this point.

[The statements follow:]

## Statement of William Perry Pendley

Mr. Chairman, I am pleased to appear before you today to present our Fiscal 1984 Budget priorities for the Energy and Minerals bureaus. The respective directors of the Bureau of Mines, Minerals Management Service, Office of Surface Mining and Geological Survey subsequently will present their statements in which they will more fully outline our FY 1984 Budget recommendations. Mr. Robert Horton, Director of the Bureau of Mines will provide his statement today.

In the energy and minerals programs, our primary goal is to enhance America's ability to meet our energy and mineral needs with domestic resources. As you know, nearly a year ago, President Reagan became only the second President in history and the first in nearly three decades to announce a national minerals policy. We are extremely pleased with the President's Statement because it reflects a commitment made in September 1980 and a very real recognition of the importance of minerals to our national well being. It is in recognition of that minerals policy that this Administration has taken many of the actions that it has including rejection of the Law of the Sea Treaty, elimination of outdated and unnecessary withdrawals, advocacy of a five-year extension of the Defense Production Act as well as recent consideration of an Exclusive Economic Zone.

Mr. Chairman, we look with special attention to the expertise within the Bureau of Mines for the implementation of the President's policy. No federal entity is better capable of implementing that policy than the Bureau with its international expertise and national credibility. We have sought to strengthen and rebuild the Bureau of Mines to its stature of decades past. We must have a strong and credible Bureau to advocate and implement minerals policy. That is our objective and it is carried out in the budget we present today.

In taking steps to achieve our primary goal, our 1984 Budget recommendations reflect the administration's overall policies which are to seek to limit the size, intrusiveness and costs of Federal activities as much as possible. As a result, we are finding ways to:

- Streamline Federal activity, to limit it to those areas and responsibilities that are truly Federal in nature;

- Ensure that these appropriate Federal responsibilities are performed in the most cost-effective and efficient manner; and

- Aid State and local governments in carrying out their appropriate public responsibilities in a similarly cost-effective manner.

Accordingly, our 1984 Budget recommendations to expand or even sustain program funding levels are made possible through decreases in lesser priority programs and through cost savings. All of the changes discussed in my statement will compare the 1984 base to the Budget estimate.

The four areas for which we have assigned highest priorities within our 1984 Budget recommendations are the following:

- $118.8 million in several Bureau of Mines and Geological Survey programs which fully support the President's National Materials and Minerals Program. It is the President's explicit goal "to decrease America's minerals vulnerability by taking positive action that will promote our national security, help ensure a healthy and vigorous economy, create American jobs, and protect America's natural resources and environment." See table 1 for the Bureau of Mines and U.S Geological Survey programs which are directly related to the President's mineral program plan.

o $108.1 million in the Minerals Management Service to fully support the Department's consolidated program for carrying out the five-year Outer Continental Shelf oil and gas leasing schedule. This program is a key component of the Administration's policy to increase our Nation's reliance on its own energy resources.

o $231.5 million in the Office of Surface Mining for grants to provide strong, direct incentives for States to maintain and improve their regulatory and reclamation program capabilities and thereby to reduce direct Federal involvement under the Surface Mining Control and Reclamation Act. These grants support the States, with appropriate Federal oversight, to protect society and the environment from the adverse impacts of coal mining operations and to reclaim mined areas left without adequate surface reclamation prior to enactment of the Act.

o $26.4 million in the Minerals Management Service for Royalty Management for the accurate determination, collection, accounting, and distribution of bonuses, rentals and royalties from Federal, Indian and Outer Continental Shelf lands mineral leases. Receipts from these leases are estimated at $13.6 billion in fiscal 1984. Receipts from OCS leasing alone are currently estimated to exceed $85 billion over the period from fiscal 1982 through 1988, excluding Windfall Profit Taxes.

The overall FY 1984 Budget for the four Energy and Minerals bureaus is $920.9 million in new Budget Authority subject to annual appropriations. This is a $21.0 million or 2.2 percent reduction from the 1983 current estimate of $941.9 million and is a $27.8 million or a 2.9 percent reduction from the 1984 Base estimate of $948.7 million. Table 2 which is attached to my Statement summarizes the totals by Bureau.

The most significant recommendations in the 1984 Budget in relation to our broad policies and our primary goal are these.

o $57.6 million increase for mine land reclamation for a total of $218.8 million. Of this total, the two major components are:

$61.4 million increase for State Reclamation program grants for a total of $193.9 million with which States will be able to begin working on high priority (non-emergency) reclamation projects, some emergency projects and are expected to handle RAMP-type projects using their grant awards.

$4.7 million reduction for Interior Reclamation projects which leaves $11.7 for emergency projects and a few high priority projects in those States without a reclamation program. The increase for grants and reduction for Federal projects reflect our belief that States are best able to select and pursue reclamation projects within their jurisdictions.

o $5.5 million increase for State Regulatory program grants for a total of $37.6 million. The increase is to provide to States with regulatory primacy the necessary resources to carry out their approved regulatory programs in lieu of direct Federal enforcement.

- $15.7 million reduction in Bureau of Mines programs resulting from consolidating program efforts and concentrating research on long term, high risk, high potential payoff projects with the best chance for wide generic application to materials problems and increased productivity. It is our expectation that industry may wish to pick up the projects being terminated which are in the development phase and some which are in advanced stages of applied research.

- $9.6 million reduction because no new funds are requested for the Mineral Institutes. The funds already provided by the Congress in 1982 and 1983 are being used to continue the programs of the thirty one Mineral Institutes, the four generic centers established in 1982, and to initiate the new generic center for mine health and safety which will be established later this year. The funds already appropriated should be adequate to cover the activities of these centers through 1984. In the future, we feel that the activities supported by the Mineral Institutes could be better handled through the universities and through the private sector.

- $5.0 million reduction for Mining Technology to eliminate funding for coal mining productivity research recently transferred from the Department of Energy because this work which has an immediate impact on increased productivity should attract support by the private sector. Existing government contracts will be concluded and an orderly shutdown of the test facility at Bruceton will be completed.

- $3.1 million reduction as a result of efficiencies in the Outer Continental Shelf program leaving $108.1 million. Of the $3.1 million total reduction, -$2.5 million results from streamlining the OCS sale process and the reduction in resources required for collection and analysis of geologic and geophysical data; -$1.0 million is in the OCS information program as a result of the completion of the data release system; and an increase of +$0.4 million is recommended for additional resources to implement the accident investigations and civil penalties programs.

- $5.9 million reduction for Royalty Management leaving $26.4 million. The decrease in Royalty Management is proposed as a result of the conversion of all payors to the new Auditing and Financial System (AFS) and the phase down of contract systems support for the design and development of the AFS and the computer-based Production Auditing and Accounting System (PAAS).

- $6.4 million reduction resulting from elimination of funding for operation of the Barrow, Alaska gas fields, based on current plans to seek Congressional authority for transferring these facilities to a unit of local government.

- $6.0 million reduction leaving $29.5 million for earthquake research. Of the reduction about two-thirds will be accomplished by discontinuing some of the studies on earthquake mechanism and earthquake prediction. The remainder of the reduction or about $2.0 million will be accomplished by discontinuing certain field projects on earthquake potential and the elimination of about 100 stations throughout the Western United States which currently are part of the earthquake monitoring network.

In order to provide for orderly response to potential or actual earthquakes or volcanic eruptions, we are proposing that the Secretary be provided authority to quickly supplement these budget resources at his discretion, in the event of an actual or potential emergency.

- $3.5 million reduction leaving $7.4 million for Volcano hazards. The Volcano Hazards Program is funded at a level to maintain skeletal monitoring networks within the Cascade Range for the detection of possible activity and to continue investigations at a few volcanoes that currently appear to pose the most serious threat to nearby lives and property. At the proposed funding level, monitoring at Mount St. Helens and Long Valley will be reduced; however, the emergency authority we are proposing will enable us to provide an orderly response, in the event of an actual or potential emergency.

- $9.8 reduction for energy geologic surveys leaving $25.5 million. The reductions are the result of further reductions in emphasis on Government-funded research on energy resources. Of the total reduction, -$4.7 million is for coal investigations leaving $9.8 million which will be used to continue research on critical aspects of coal quantity and quality, including the preparation of coal folio maps for Federal coal lands assigned highest priority by the Bureau of Land Management. Other reductions are for geologic investigations of onshore oil and gas, oil shale, uranium/thorium, geothermal and world energy resources.

- $6.0 million reduction for energy hydrology leaving $9.6 million. Of the total reduction, -$5.0 million is for coal hydrology leaving $2.0 million. With the shift to State primacy under the provisions of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), it is our intention that collection of water data and information will be accomplished by others (industry, State and local governments) to the degree that such information is required to support coal permitting and development. A reduction of -$1.0 million leaving $0.3 million for oil-shale hydrology activities is recommended based on waning industry interest in this resource.

- $8.5 million reduction for National Mapping and Digital Cartography leaving a combined total of $83.9 million in direct funding for these programs. The major areas of reduction are -$1.9 million in primary quadrangle mapping allowed by the move to the new provisional editions; -$2.0 million in orthophotoquads offset by an identical program increase in the new proposed appropriation for digital cartography; -$3.5 million for Small Scale, Intermediate and Special Mapping which is distributed over lower priority portions of four programs; and -$3.0 million due to termination of funding for Side Looking Airborne Radar. The Survey recognizes the value of SLAR technology for certain applications and believes that sufficient SLAR data have been acquired and made available to the public to demonstrate their utility. Additional SLAR data can be acquired by industry within the private sector without the expenditure of government funds.

- There are other increases and decreases throughout the programs of these four bureaus which will be explained by the respective bureau directors.

The 1984 Budget for the Energy and Minerals bureaus provides increases to support programs which are essential to achieving our goal which is to enhance America's ability to meet our energy and mineral needs with domestic resources and it provides decreases for lessor priority programs and in those cases where cost savings can be realized. I recommend it to you without reservation.

Table 1
Department of the Interior
Bureau of Mines and U.S. Geological Survey
FY 1984 Budget
Programs Related to
The President's 1982 Materials and Minerals Program Plan

| Bureau/Appropriation/Program | Budget Authority $ Millions | | | |
|---|---|---|---|---|
| | 1983 Appropriation Enacted to Date | 1984 Base | 1984 Estimate | Change From Base |
| **Bureau of Mines** | | | | |
| Mines and Minerals | | | | |
| Minerals and Materials Research* | 25.6 | 28.8 | 25.7 | -3.1 |
| Conservation and Development | | | | |
| Mining Technology Research* | 4.4 | 4.5 | 4.2 | -0.3 |
| Minerals Information | 10.4 | 10.9 | 10.9 | --- |
| Policy Analysis | 11.1 | 11.5 | 11.5 | --- |
| Land Assessments (principally in potential wilderness areas) | 4.9 | 6.8 | 6.4 | -0.4 |
| | 56.4 | 62.5 | 58.7 | -3.8 |
| **U.S. Geological Survey** | | | | |
| Surveys, Investigations and Research | | | | |
| Strategic and Critical Minerals | 5.7 | 5.9 | 9.3 | +3.4 |
| Alaska (AMRAP) | 9.1 | 9.4 | 9.4 | --- |
| Conterminous States (CUSMAP) | 5.5 | 5.8 | 5.8 | --- |
| Wilderness Surveys | 8.3 | 11.4 | 8.4 | -3.0 |
| Development of Assessment Techniques | 11.6 | 12.4 | 12.4 | --- |
| Offshore Geologic Surveys | 12.9 | 13.7 | 13.7 | --- |
| Federal Mineral Land Information (National Mapping Activity | --- | --- | 1.0 | +1.0 |
| | 53.1 | 58.6 | 60.1 | +1.5 |
| Combined Total | 109.5 | 121.1 | 118.8 | -2.3 |

*Includes only that portion related to strategic and critical minerals

Notes for Table 1

### Department of the Interior
### FY 1984 Budget
### Programs that address priority issues and concerns in The President's National Materials and Minerals Program Plan (1982)

The programs that address these priorities are the following:

-- Over 85 percent, or about $25.7 million, of the Bureau of Mines, Minerals and Materials Research program is allocated to Strategic and Critical Minerals Research which is aimed primarily at (1) devising new concepts in extractive concepts metallurgy for treating hard to manage, complex mineral resources that may be considered sub-economic in their present form; (2) investigating new materials that may be substituted or used as alternatives; (3) reducing imports through conservation and recycling of scrap.

-- $4.2 million provided for Bureau of Mines, Mining Technology Research in metal and non-metal minerals is directed toward developing improvements necessary for enhanced recovery from low-grade mineral deposits, including strategic and critical materials.

-- $10.9 million for the Bureau of Mines Minerals Information program that maintains and provides reliable up-to-date data for analysis of national minerals problems by collecting, interpreting and disseminating worldwide information relating to the production, consumption, and availability of nonfuel minerals.

-- $11.5 million for the Bureau of Mines Policy Analysis Program. The objective of this program is to identify issues and conduct in-depth economic, technical, and policy studies that focus on domestic and worldwide supply of and demand for nonfuel minerals. It also provides analytical support and technical engineering knowledge for development of mineral policies.

-- A total of $14.8 million for mineral assessment surveys by the Geological Survey ($8.4 million) and Bureau of Mines ($6.4 million) of proposed wilderness study areas. Priority emphasis in these efforts is directed to determine whether the areas may have potential strategic and critical mineral resources.

-- $9.3 million provided for the U.S. Geological Survey, Strategic and Critical Minerals program that supports (1) the research of USGS Commodity Geologists; (2) the computerized Mineral Resources Data System; and (3) research on resource assessments where intensified efforts are most likely to lead to new discoveries of strategic and critical minerals. Special emphasis in FY 1984 is proposed for promising areas in the mid-Continent and Eastern United States.

-- $9.4 million for Geological Survey's Alaskan Mineral Assessment Program (AMRAP) which has just prepared its first annual report on mineral resources in that State. The program focuses on areas thought to have high potential especially for strategic and critical minerals.

-- $5.8 million for the Geological Survey's Conterminous U.S. Mineral Resources Assessment Program (CUSMAP) which is systematically inventorying and defining the mineral resources of the lower 48 States.

-- $12.4 million for the Geological Survey's Development of Assessment Techniques program in which basic research is conducted to identify concepts of mineral deposits and more effective methods for assessing mineral potential.

-- $13.7 million for the Geological Survey's offshore mineral investigations. This program has a number of high priority objectives which can be summarized as the seaward advancement of geologic knowledge which will contribute to the discovery of valuable mineral deposits on the seafloor. Starting in FY 1983, special emphasis is being placed on studies of polymetallic sulfide deposits in the Juan de Fuca area off the Pacific Northwest coast of the United States and the cobalt-rich manganese crust forming around the Hawaiian Islands and the Trust Territory of the Pacific Islands.

-- $1.0 million for a new Federal Mineral Land Information program in the U.S. Geological Survey. This program will provide for development of a geographic information system to rapidly and effectively answer questions such as location of federally owned lands, agencies administering them, mineral occurrence, Federal mineral rights and the specific restrictions on mineral exploration and development of those lands.

## Table 2

### Energy and Minerals Amounts
### Subject to Annual Appropriation
### Budget Authority
### $ Millions

|  | 1983 |  | 1984 |  |  |
|---|---|---|---|---|---|
| Bureau | Appropriation | Current Estimate | Base | Estimate | Change From Base |
| Minerals Management Service | 196.5 | 198.5 | 165.2 | 155.5 | -9.7 |
| Office of Surface Mining Reclamation and Enforcement | 221.6 | 222.1 | 223.1 | 282.3 | +59.2 |
| Bureau of Mines | 143.1 | 144.6 | 148.4 | 117.6 | -30.8 |
| Geological Survey | 369.8 | 376.7 | 412.0 | 365.5 | -46.5 |
|  | 931.0 | 941.9 | 948.7 | 920.9 | -27.8 |

### BUREAU OF MINES

## Mines and Minerals: FUNDING SUMMARY

| | (In Millions of $) | | | |
|---|---|---|---|---|
| | 1983 | 1984 Base | 1984 Estimate | Decrease |
| **Minerals Information and Analysis:** | | | | |
| Minerals Information | $ 10.4 | $ 10.9 | $ 10.9 | ... |
| Mineral Data Analysis | 16.0 | 18.3 | 18.0 | -$ 0.3 |
| Subtotal | $ 26.4 | $ 29.2 | $ 28.9 | -$ 0.3 |
| **Mineral Institutes** | 9.6 | 9.6 | ... | - 9.6 |
| **General Administration** | 20.8 | 21.0 | 20.8 | - 0.2 |
| Total, Mines and Minerals | $143.2 | $148.4 | $117.6 | -$30.8 |

### BUREAU OF MINES

## Mines and Minerals: FUNDING SUMMARY

| | (In Millions of $) | | | |
|---|---|---|---|---|
| | 1983 | 1984 Base | 1984 Estimate | Decrease |
| **Minerals Research:** | | | | |
| Health and Safety Technology | $38.5 | $39.4 | $31.7 | -$ 7.7 |
| Conservation and Development | 15.5 | 15.7 | 5.8 | - 9.9 |
| Minerals and Materials Research | 32.4 | 33.5 | 30.4 | - 3.1 |
| Subtotal | $86.4 | $88.6 | $67.9 | -$20.7 |

## STATEMENT OF ROBERT C. HORTON

We are pleased to be here today to discuss the Bureau of Mines' budget request of $118,383,000 for fiscal year 1984. The budget request is $30,862,000 less than our 1984 base and $25,575,000 less than our 1983 appropriations. All changes that I identify in this statement are compared to the 1984 program base.

The budget is fully consistent with the President's Minerals and Materials Program Plan and Report to Congress of April 5, 1982, in which he stated: "It is the policy of this Administration to decrease America's minerals vulnerability by taking positive action that will promote our national security, help ensure a healthy and vigorous economy, create American jobs, and protect America's natural resources and environment." The Bureau of Mines has responsibility for a major part of the total Federal effort in three of the major areas identified in the President's report: research and development, minerals information, and land availability.

The Bureau has moved toward full application of the President's policy on research and development by focussing on "long-term, high-risk, high potential payoff projects with the best chance for wide generic application to minerals problems and increased productivity" by reducing or eliminating funding for projects in the development phase and some in the advanced stages of applied research where we expect that potential industrial users will pick up the work. As a result we were able to decrease our fiscal needs by $15,708,000. We have saved $5,000,000 by terminating funding for coal mining productivity research recently transferred from the Department of Energy because this work which has an immediate impact on increased productivity should attract support by the private sector. A third major reduction of $9,600,000 results from a decision to seek no funding for the Mineral Institute program in 1984. There are also minor cost savings totalling $554,000 in the Mineral Data Analysis and General Administration programs. We are proposing direct appropriation to the Bureau of Mines of $1,687,000 to fund mineral assessments on lands managed by the Bureau of Land Management and formerly funded by that agency through reimbursement.

In the case of the Mineral Institutes, the funds already provided by the Congress in 1982 and 1983 are being used to continue the programs of the 31 Mineral Institutes, the 4 generic centers established in 1982, and to initiate the new generic center for engineering aspects of respirable dust which will be established later this year. The funds already appropriated should be adequate to cover the activities of these centers through 1984. In the future, we feel that the activities supported by the Mineral Institutes could be better handled through the universities and through the private sector.

Mr. Chairman, I would like to highlight the budget request for each of our program areas and mention a few of our accomplishments during the past year.

### HIGHLIGHTS OF 1984 BUDGET

Of our 1984 request, $117,583,000 is for our Mines and Minerals appropriation and $800,000 is for use of trust funds deposited by organizations with which the Bureau will conduct cooperative projects. The Mines and Minerals request includes $67,905,000 for Minerals Research, $28,843,000 for Minerals Information and Analysis, and $20,835,000 for General Administration. The allocation of this request reflects national priorities as specified in the President's 1982 Minerals and Materials Program Plan as well as the goals given by the President in his State of the Union Message, which called on the government to contain Federal expenditures in order to help spur economic recovery.

### Minerals Research Programs

Our 1984 request of $67,905,000 for Minerals Research programs includes $31,670,000 for Health and Safety Technology, $5,805,000 for Conservation and Development, and $30,430,000 for Minerals and Materials Research.

The 1984 request for Health and Safety Technology will support continued research on a broad range of fundamental safety and health problems in coal, metal and nonmetal mines. This area of research is directed toward providing technology that will reduce the incidence of mine accidents and occupational illnesses among miners. The success of this program in providing short-term solutions to some of the major problems facing the mining industry in recent years has made it possible to shift the emphasis of the Bureau's research efforts from efforts aimed at hardware and systems development toward basic research on the fundamental problems encountered in mining. This redirection, which implements the President's research and development policy, has made it possible to reduce our 1984 budget needs by $7,686,000.

The Conservation and Development program is directed toward improving metal and nonmetal mining technology and conserving the air, land, and water resources which might be adversely affected by mining operations. The 1984 request will continue these efforts.

The Bureau's Minerals and Materials Research program carries out efforts to help ensure an adequate domestic supply of minerals, with special emphasis on the recovery and conservation of critical and strategic minerals. Research efforts include minerals beneficiation, extractive metallurgy, materials substitution, and recycling, and directly support the policies specified by the Congress in recent legislation and in the President's National Materials and Minerals Program Plan. These policies directed the Bureau to increase metallurgy research efforts directed toward strategic and critical minerals. The 1984 request maintains the level of effort in this program above the level prevailing before the passage of the 1980 Act. The proposed reduction of $3,090,000 terminates development-oriented research in the areas of extractive metallurgy, materials, and recycling.

## Minerals Information and Analysis Programs

We are requesting $28,843,000 for Minerals Information and Analysis programs: $10,890,000 for Minerals Information, and $17,953,000 for Mineral Data Analysis.

The 1984 request for Minerals Information provides for the continued collection and dissemination of data on production, consumption, and foreign trade for more than 100 mineral commodities worldwide. This information is needed to support public and private decisionmaking concerning mineral supplies, particularly supplies of critical and strategic minerals; to support private sector investment decisions needed to revitalize the domestic minerals industry and stimulate economic recovery; and to support the development of public policy affecting minerals.

The budget request for Mineral Data Analysis supports analysis of problems affecting the Nation's mineral supplies, the development and analysis of policy alternatives for addressing those problems, and the continued assessment of the mineral potential of Federal lands to assure that decisions regarding their future use are made in light of the best available information about their mineral values. The request includes $1,687,000 to conduct mineral assessments on lands managed by the Bureau of Land Management (BLM). These assessments were formerly funded at the same level by BLM through reimbursement to the Bureau of Mines, but are now being requested for direct funding. A program decrease of $350,000 results from lowered costs for the automation of mineral survey data and information.

## General Administration

The 1984 request of $20,835,000 for General Administration will provide for executive direction and administrative services for the Bureau of Mines, including the Office of the Director and his staff, and administrative services such as personnel, procurement, property, finance, and automatic data processing. A program reduction of $204,000 will be achieved by reducing lower priority services.

## RECENT ACCOMPLISHMENTS

The Bureau of Mines has a long history of significant accomplishments. Many of the current ones are discussed throughout the budget document. I would, however, like to emphasize some of the salient ones that have occurred since we last appeared before you. They are as follow:

### Health and Safety Technology

- Completed laboratory testing of remote manual bolters that allow placement of conventional roof bolts from protected operator locations.
- Developed and tested several task training programs for both surface and underground miners to make available performance-based, generic safety training.
- Completed several studies aimed at improving dust control in long-wall coal mining. Results of this research could further reduce the face worker's dust exposure and improve the compliance record of double-drum shearer operations.

### Conservation and Development

- Completed initial analysis of the hazardous conditions resulting from the past mining of lead and zinc in the Tri-State area (Kansas, Missouri, and Oklahoma) and installed structural concrete plugs in selected shafts.

- Demonstrated that surfactants (detergents) inhibit acid forming bacteria which catalyze the oxidation of iron sulfide (pyrite), the first step in the formation of sulfuric acid in acid mine drainage. Bacterial action is responsible for approximately 80 percent of the acid mine drainage in this country. Less acid production will lower-treatment costs and improve reclamation at surface mines or coal refuse piles. Industry is participating in full-scale testing.

Minerals and Materials Research

- Devised a technique for recovering cobalt, nickel, and chromium from superalloy scrap. This method allows those critical metals to be dissolved 1,000 times faster than with current technology, thereby presenting a more economical procedure for recovery. This will help to reduce our dependence on foreign supplies of critical and strategic minerals.

- Developed a method for recovering phosphate from a wide variety of complex western phosphate materials, including low-grade ores, tailings, and unused fines. The recovery method, which has been commercialized in Idaho, extends the life of the phosphate reserve while reducing waste disposal problems.

- Developed an agglomeration pretreatment that allows clayey precious metal ores to be heap leached. The technique, presently in use at 30 commercial operations in the western U.S., allows recovery of gold and silver from ores that might not otherwise be processed.

Minerals Information

- Published a Minerals Data Source Directory, a comprehensive compilation of information on the availability, content, and location of minerals data in the government.

- Inaugurated a weekly Minerals Alert to inform the Secretary of the Interior and other officials of significant events in the minerals industry.

Mineral Data Analysis

- Completed a study on the question of U.S. vulnerability to a supply disruption of platinum and palladium and on the relative effectiveness of alternative initiatives that included a strategic stockpile release and price support program for domestic production.

- Prepared a Presidential briefing on the domestic supply of critical minerals to be presented to the President, the Senior White House staff, and the Cabinet Council on Natural Resources and the Environment.

Mr. Chairman, that concludes my prepared remarks, and we shall be pleased to respond to any questions you may wish to raise.

### INTRODUCTION OF ASSOCIATES

Senator McClure. If you would please introduce your associates with you this afternoon, we will then proceed with questions.

Mr. Horton. Thank you, Mr. Chairman. It is indeed a pleasure to appear before you again. Dan Miller, Assistant Secretary, Energy and Minerals, has been delayed. He just landed at the airport, and I believe he will be here shortly.

The others with me today are Jim McAvoy, Deputy Director; John Morgan, Chief Staff Officer; Bob Lamb, Acting Budget Officer; and Kristine Marcy, Deputy Director of the Office of Budget.

I have with me additional staff members who may be called upon to fill in some details.

Senator McClure. Thank you very much, Mr. Horton.

### HEALTH AND SAFETY RESEARCH

Again this year, the Bureau of Mines budget request reflects a shift away from health and safety and conservation and development research. As you indicated last year and as you referred to in the 1984 justification, much of this research work is not "high-risk, long-term and high-potential payoff," and should thus be conducted by the private sector. Yet, in a letter sent to me on December 13, 1982 by you, Mr. Horton, you state:

> With billions of dollars worth of idle production capacity and low or negative profitability, the industry has been cutting its expenditures wherever possible. One of the casualties has been research and development activity. For example, the National Coal Association recently laid off its vice president for research while Bituminous Coal Research, Inc., the research arm of the coal industry, was transferred to the University of Pittsburgh. In an industry which normally spends a very low percentage of its operating revenues on research even in good times, these reductions have made it impossible for the industry to undertake even short-term work which in normal times it would have done. In several cases industry cooperative projects with the Bureau of Mines have been directly affected by shutdowns of cooperating mines or plants.

While I would never suggest that all of the health and safety and conservation and development research that has been or is being done is necessary, it seems to me a great deal of research that should be done and that you say the private sector should do, will in fact not be done if Congress approves your budget request. Do you agree with that analysis?

### PRIVATE SECTOR RESEARCH

Mr. Horton. In recent months, Mr. Chairman, we have been pleased—both pleased and surprised—at the interest shown by the mining industry in expanding their research programs.

Some examples: The United Coal Co. has published an article in Coal Age magazine entitled "United Fills the Federal Research and Development Void." Other companies are showing a similar interest. SOHIO recently announced an arrangement to present $10 million to universities for research. A substantial portion of that—I'm not sure how much—but a substantial portion of that will be directed to the mineral industries.

Mr. George Atwood, chairman and chief executive officer of the Duval Corp., gave a recent address before the Copper Club, where he received an award, the Copper Man of the Year. He noted that his firm was initiating a large research and development project, and other companies are doing likewise.

Senator McCLURE. Can you provide for the record an estimate of the amount of money that they will spend on both safety and on basic R&D?

[The information follows:]

### INDUSTRY EXPENDITURES ON SAFETY AND BASIC RESEARCH

Accurate data on industry expenditures on safety and basic research are extremely difficult to obtain because most industry research and development, including the funding levels for it, are considered proprietary by the companies or manufacturers involved. Each is reluctant to release such information as it could divulge a potential competitive advantage.

Some positive signs have been observed in recent months, indicating continued interest by industry in R&D. For example, Consolidation Coal Co. has dedicated a $10 million Coal Technology Center in Pennsylvania. Another indication of industry's interest in R&D is found through cost-sharing contracts with the Bureau. Even though the Bureau's contract effort was greatly reduced in fiscal year 1983, industry is putting over $1.1 million into cost-shared safety research, even though this is down from $2.2 million in fiscal year 1982. The Bureau has approximately 100 active cooperative agreements in which it is estimated that industry invests about $5 million per year in direct services support, by making facilities, equipment, and supplies available to support research of mutual interest.

The minerals industry is aware that it must make changes in its methods. Mr. George E. Atwood, the "Copper Man of the Year" and chief executive officer of Duval Corp., in his address at the annual meeting of the Copper Club stated "* * * statistics on major U.S. industries show that expenditures by the metals and mining industry for research and developent expressed as a percent of sales trail by far most other major industries." A survey conducted by Bituminous Coal Research indicated most of the R&D done by coal companies was demonstration and application research, or conducted in those areas that direclty relate to testing and implementation at the mine site. Most research by mine equipment manufacturers is developmental research related to new products. Little basic research is done by coal companies or mine equipment manufacturers.

### SHORT-TERM RESEARCH

Mr. HORTON. We will do our best to collect that. Yes, sir.

Senator McCLURE. Would you, in connection with that submittal, also indicate how that program compares with what they have spent before so we get then kind of a baseline comparison of what your estimate would be?

Mr. HORTON. Yes, sir.

Senator McCLURE. Would you agree that there is a significant amount of research which you would consider short term with a high-potential payoff, which the Bureau has proposed not to do, and which likely won't or can't be done by the private sector?

Mr. HORTON. I would like to make a distinction, Mr. Chairman, between minerals and materials research, and health and safety research, if I might.

The industry is certainly more likely to do much more short-range research, applied, and development research that is production oriented than they are long-range basic research. In the area of minerals and materials research, we feel the long-range, higher-risk research is essentially a proper activity for the Federal Government, and that industry should pick up more and more of the development and applied research. It does substantial work in that area now, and we think that work should increase.

In the health and safety area, we do not propose that we eliminate all short-term work by any means. The projects in health and safety are identified in cooperation with MSHA. We have weekly and monthly meetings. Secretary Ford, the Assistant Secretary of Labor, MSHA, and I meet at least every 2 months to discuss joint projects and we undertake those projects which are required and that promise the greatest return, regardless of the time frame indicated.

Senator McCLURE. That really didn't quite answer my question as to whether or not there is short-term research with a high-potential payoff which you propose not to do, and yet likely would be done by the private sector? Or don't you believe that there is no short-term, high-potential payoff research which you propose not to do?

Mr. HORTON. I'm not aware of any short-term, high-potential payoff research projects that we ought to undertake.

Senator McCLURE. You said which you ought to undertake?

Mr. HORTON. I don't know of any such projects that would promise such payoff. I am humble enough not to know all the problems in the minerals industry, but we do work hard to identify such problems, and have taken on such activities in the past. I think we have pretty well exhausted the list.

### PRESIDENT'S MINERAL POLICY

Senator McCLURE. You have stated:

> It is the policy of this administration to decrease America's minerals vulnerability by taking positive action that will promote our national security, help insure a healthy and vigorous economy, create American jobs, and protect America's natural resources and environment.

That's a quote.

While the Bureau of Mines is responsible to carry out just a portion of that policy, it is a very important—if not critical—portion indeed. I would suggest that this budget request does little to promote the President's policy of decreasing America's minerals vulnerability. In fact, my review of this request suggests that reductions are proposed primarily for budgetary reasons, and not necessarily in an attempt to promote a stronger domestic minerals industry or a nation which would be less vulnerable to minerals supply disruptions.

Am I correct in this assessment? If not, what evidence do you have which confirms that this budget will, in fact, result in the policy goals you have outlined?

Mr. HORTON. I have identified many of the President's policy goals in our plans and projects at the present time. In land availability, we are doing an inventory of those land uses that inhibit mineral exploration and development. We are doing mineral land assessments in wilderness areas, areas identified by the BLM.

We are doing much in the mineral information and mineral data analysis areas to improve our knowledge of world resources and world trade patterns. We have increased our coverage of international minerals affairs. We are doing large amounts of research in strategic and critical minerals, both as regards recovery from domestic resources and substitution. The decrease in our budget recognizes the problems of funding needs in times when fiscal restraint requires it.

### BLACK LUNG

Senator McClure. Well, I hear what you say. I'm not sure that I am persuaded.

Moving to specific areas within the budget request, you stated last year that about 6 percent of coal miners now working showed some symptoms of black lung. In this justification you say that number is now about 5 percent. Can we reasonably expect that number to go below 5 percent?

Mr. Horton. I would hope so, sir. But that decline is going to be quite gradual, as the development of black lung symptoms requires a long exposure and miners who have been exposed to high dust levels over the past 20 years. The incidence has come down from 15 percent in the early 1970's to 6 percent last year, and 5 percent this year, which will gradually decrease as those miners that were exposed prior to enforcement of dust standards leave the workforce.

Senator McClure. Do you have a specific goal in mind?

Mr. Horton. For the reduction, sir?

Senator McClure. Yes.

Mr. Horton. We would like to see it at zero.

Senator McClure. What do you expect it to be?

Mr. Horton. I don't know that one could establish that. Present Federal laws and reguations as adminstered by MSHA control the dust standards, and as long as every miner adheres to the dust standards, the likelihood of black lung is greatly diminished by its guaranteed enforcement.

Senator McClure. What role will the Fifth Generic Mineral Institute Research Center have in solving the respirable dust problems?

Mr. Horton. We expect it to be very useful, sir, in contributing additional expertise to the solution of the problem or the amelioration of the problem. There is some confusion between payments now made for black lung and their relationship to the research expenditures. The payments now for black lung, unfortunately, are because of past mistakes. But with the present regulations, the incidence of black lung should be greatly reduced. Most of the black lung research now can be thought of somewhat in terms of productivity in that mines must operate at a lesser rate than they might otherwise do because of restrictions on dust emissions.

## CONSERVATION AND DEVELOPMENT RESEARCH

Senator MCCLURE. On page 30 of your justification, you state, "The Bureau's conservation and development program fully supports the administration's philosophy for increased emphasis on generic research of wide applicability."

In fiscal year 1983, the comparable programs under this heading were funded at $15,542,000, while the same programs for fiscal year 1984 are proposed for funding at a level of $5,805,000. This represents a decrease of some 62.7 percent. As these programs focus on assisting the advancement of technologies needed to allow mining of domestic deposits containing critical, strategic, and other essential minerals, including controlling mine wastes and resolving other environmental problems, are we to assume that only 37.3 percent of the research conducted last year can be considered long term, high risk, and with high-potential payoff?

Mr. HORTON. I don't know if I can answer that accurately, but I believe the answer is no, sir.

Senator MCCLURE. Then some of it must also be long term, high risk, with high-potential payoff that would be dropped as a result of the budget limitation. Is that correct?

Mr. HORTON. Either dropped or not undertaken. Of the $9,700,000 drop, $5 million of that is our decision not to fund coal productivity research, so it represents a $4 million drop below our activities, excluding the coal productivity.

Senator MCCLURE. That would only be a 50-percent decrease instead of 62 percent?

Mr. HORTON. Yes; but we have substantial activities ongoing in that program. In the transfer from DOE, which is about to be accomplished, we had—as of September 30, 1982—$26 million of uncosted obligations carried over on the existing contracts and $4.6 million of unobligated balances in addition to the $5 million that was appropriated in fiscal year 1983. Those funds will be spent over the next several years. There is a continuing effort to complete those projects. The projects are not being dropped.

Senator MCCLURE. Would you like to use a different percentage in terms of reduction of the total effort? If my percentage is incorrect, what percentage would you use?

Mr. HORTON. No, sir. Your percentage of decrease is accurate, but we do have a large, significant quantity of projects still going on, almost $35 million, either on the way or obligated this year.

Senator MCCLURE. If we approve the budget as proposed, specifically what research in the conservation and development area will not be conducted that was conducted during fiscal year 1983?

Mr. HORTON. I'll have that for you in a minute, sir. What was previously covered by $5 million in the DOE will be the development of novel and new mining equipment and coal transport equipment, investigation of strata behavior and ground control principles as they relate to mine roof or support design, identification and research and development technology in the longwall mining process, engineering design data on the use of hydraulic coal mining haulage—I have a rather long list here.

Senator McClure. Could you submit that for the record, please?

Mr. Horton. Yes, Mr. Chairman.

[The information follows:]

### Conservation and Development Research Deletions

Fiscal year 1984 funds will not be expended in the following research areas in which work was conducted in fiscal year 1983. While work may continue in the case of contracts funded in prior years, new starts will not be initiated in these research areas: Basic engineering research on novel and improved mining equipment and coal transport systems in the mine equipment test facility; investigation of strata behavior and ground control principles as they relate to coal production; automation of the longwall coal mining process; hydraulic coal transport; water jet assisted mechanical cutting of coal; optimization of room-and-pillar mining in coal; surface mine haulage equipment improvements; surface mined land recontouring and reclamation; research related to structural fatigue damage caused by repeated blasting; wetlands mining; fugitive dust controls; mine sealing procedures; extinguishment of coal waste bank fires; hydraulic coal waste disposal; development of dewatering manual; subsidence monitoring for abandoned mines; techniques for evaluating seepage from waste disposal sites; and effects of longwall mining on hydrology.

### DOE FACILITY AT BRUCETON, PA.

Senator McClure. Would I be correct in stating the Bruceton facility will be closed down completely?

Mr. Horton. No, sir. The language that we have chosen here is a little unclear. We propose to close the facility associated with coal productivity research. The equipment and many of the facilities that are there will be utilized in our health and safety work and in mining investigations under conservation and development.

The equipment will not be abandoned, nor the facility abandoned. They will be utilized to the extent that funds are available for these other types of research.

Senator McClure. Will the surface test facility at Bruceton be closed?

Mr. Horton. No; the facility will remain available for other types of mining research.

Senator McClure. Will you use it?

Mr. Horton. Yes, sir. We will not be using it for coal productivity research. We will be using it for health and safety and general mining research.

### MINE WASTE DISPOSAL

Senator McClure. You have indicated on page 37 of the justification that among the reductions proposed for fiscal year 1984 is research related to managing solid mine wastes, including the determination of methods for disposal of surface and underground coal wastes and the development of instrumentation and techniques for evaluating groundwater contamination by seepage from disposal sites.

As you have earlier expressed the importance of properly disposing of mine wastes, why are you proposing to significantly reduce funding in this area?

Mr. Horton. Because much work has been accomplished in that area. We have spent large sums on equipment and techniques. Our progress is demonstrated in a recently published handbook, "Development of Systematic Waste Disposal Plans for Metal and Nonmetal Mines." We feel that work is essentially complete.

I might mention, we do that work in association with the Office of Surface Mining, and most of that work now relates to enforcement by the Office of Surface Mining and of the several States as they gain primacy. Additional techniques are not particularly indicated at this time.

Senator McCLURE. Do you know of any private sector research in that area?

Mr. HORTON. Not anything extensive, but I would not think any was necessary. The techniques are well identified now.

## POWDER METALLURGY TECHNIQUES

Senator McCLURE. Included among the Bureau's work in the materials and recycling technology field is research focusing on the substantial loss of strategic and critical materials due to machining. According to the justification, one promising way to resolve this problem is through the use of powder metallurgy techniques whereby alloy powders can be formed into near-final shapes.

How far along are you in determining whether this technique is 100 percent satisfactory?

Mr. HORTON. I would like to ask the Assistant Director for Minerals and Materials Research if he might answer that.

Mr. W. MILLER. Senator McClure, I am William L. Miller. With respect to this work, we are nearing the completion of the second year in this important area, and we believe that it's very promising. The results should be that we will be able to produce shaped materials of superior quality and, therefore, reduce waste.

Senator McCLURE. Is there evidence of spinoff from your research into the private sector? Are they picking up work you have been doing?

Mr. W. MILLER. We have been engaged in this particular area for quite some time, but I do not have the name of a firm that I can give you now, however, I believe so; yes, sir.

Senator McCLURE. Could you supply for the record the evidence of the private sector involvement both in cooperation with you at the present time and what you believe to be the spinoff effects that people pick up or have picked up right now?

Mr. W. MILLER. Certainly, Mr. Chairman.

[The information follows:]

### TITANIUM POWDER METALLURGY RESEARCH

In the manufacturing of metallic products by the generic process called "powder metallurgy," finely divided particles of metals such as iron, copper, nickel, zinc, and metal compounds such as tungsten carbide are blended into desired compositions, and compacted under pressure in dies that are close to the desired configuration and dimensions of the final product. These compacts then are heated in furnaces to temperatures near the melting point of the metals contained, a process called "sintering," which causes the particles to bond together into a solid object. Only minor machining and finishing operations are required to obtain the final products.

Advantages of powder metallurgy in many cases are the elimination of casting, forging, and a large portion of the machining, all of which add to production time and costs as well as to the generation of scrap material.

However, not all metals and alloys can be produced rapidly in powder form, particularly reactive metals such as titanium and its alloys. In the case of titanium, a complex series of operations is required to produce suitable powder. A sponge form of the metal is produced first by reduction of titanium chloride. The sponge is cleaned of most residual impurities and then consolidated into solid ingot form by the multiple melting of consumable electrodes in vacuum arc furnaces. The resulting ingot must be fabricated by forging into small diameter rods that subsequently are converted to powder with a complex melting device that spins molten metal from the end of the rod onto cooled plates; the entire operation must be conducted under vacuum or an inert gas atmosphere.

Bureau research on preparing titanium and titanium alloy powders is directed toward eliminating many of the conventional production steps by converting the metal chlorides in vapor form directly into usable powder. Thus far research has shown that titanium-aluminum alloy powder of reasonably high purity can be reduced directly from the respective chlorides. However, considerable research will be necessary before this technology becomes practicable. Both the private sector and the Department of Defense, primarily the U.S. Air Force, have expressed interest in advancing this technology. Information has been exchanged with the Westinghouse Cooperation and RMI Corp., to define technical problems and possible solutions that are common to different approaches to make high-purity titanium and titanium alloy powders.

## RECLAIMING SCRAPPED ALLOYS

Senator McClure. You have reported that because of the lack of inexpensive rapid identification methods for separating the thousands of alloys currently scrapped, efforts to recycle these individual alloys from mixed scrap have been less than successful.

What percentage of this Nation's strategic and critical materials needs could theoretically be met from reclaimed scrap?

Mr. W. Miller. Mr. Chairman, it would depend on the material which we are discussing. Some high value materials are recycled without any difficulty. I am speaking of such as the platinum group metals. Others, such as chromium, nickel, cobalt, the percentage, again, will vary, but at least 50 percent is lost.

Mr. Horton. I might add, in the recycling area, to identify these problems we do have a number of working agreements with the National Association of Recycling Industries, the American Iron and Steel Institute, the American Foundrymen's Society, the Institute for Scrap Iron and Steel, and the Aluminum Association.

Senator McClure. Can you identify any other work you plan to do during fiscal 1984 to resolve the problems in the reclaiming of scrap?

Mr. W. Miller. The work we plan to do in fiscal 1984 in the scrap identification deals with the actual identification of the material, and this is where the problem lies. In a scrap yard, one material may look like something else of an entirely different composition. Hence, the need for our developing ways whereby scrap can be rapidly identified. What we're looking toward is having the means whereby this can be done, and we are going to be doing this in association with some firms.

Senator McClure. With the identification actions that have already been mentioned?

Mr. W. Miller. Yes, sir.

Senator McClure. Besides identifying and sorting mixed scrap, what other problems have slowed the progress of scrap recycling?

Mr. W. MILLER. Another means is the dissolution, that is to say, taking the scrap material into a soluble form whereby the constituents in the case of chromium or nickel can be extracted and recovered.

One of the areas that we have worked on involves taking such materials as zinc or aluminum and combining them metallurgically. This scrap material, then, can be readily broken down and subsequently put into solution with an acid and in turn the metal constituents can be electrolytically recovered.

### WEAR RESISTANCE RESEARCH

Senator MCCLURE. On page 43 of the justification, you indicate that one of the major problems that needs to be addressed focuses on the substantial loss of materials and equipment through breakage and wear. This loss is, in fact, estimated to be even greater than that due to corrosion. Yet, on page 47, you report that research on wear of mining equipment will be terminated.

For what reason have you proposed to terminate this effort?

Mr. W. MILLER. Well, sir, the work that we are proposing to reduce the level of effort has to do with wear problems of mining equipment. That which deals with the performance properties is more in keeping with our basic research activities. The fundamentals of wear, if you will.

Senator MCCLURE. Has all of that research been completed? Is there nothing more to learn in that area?

Mr. W. MILLER. Until such time as we have better understanding of the properties, there is little further testing that we can do.

Senator MCCLURE. Do you expect someone else to pick up where you have left off, or is your effort the only effort, and you plan to abandon the field?

Mr. W. MILLER. I would certainly like to believe others will pick up and work with us. One of the things we have, I feel, working for us is the close cooperative effort that the Bureau has with some of these associations such as the ones Mr. Horton has described.

Senator MCCLURE. But you don't propose to spend anything? You don't get much cooperation if you don't spend anything, do you?

Mr. W. MILLER. Well, sir, often times the cooperation takes other forms in terms of materials, equipment, and even ideas. There's more than just an exchange of money.

Senator MCCLURE. I am sure that's true, but it still requires some money if you contribute anything.

Mr. HORTON. Mr. Chairman, we are not abandoning all activities in the general area of wear. Wear programs will be going on in 1984, including wear-resistant materials, corrosion of grinding media, and so forth.

Senator MCCLURE. Will you submit for the record a list of those activities in that area and where they appear in the budget?

Mr. HORTON. Yes, sir.

Senator MCCLURE. With some details of each of those activities.

Mr. HORTON. Yes, sir.

[The information follows:]

### WEAR-RELATED RESEARCH

In the mining and mineral processing industry, over 250,000 tons of materials are consumed annually as a result of wear in processing ores. Grinding media equipment (rods, balls, and mill liners) used for grinding ores is made of critical alloying metals such as chromium, nickel, and manganese. Mill liners, for example, may contain up to 20 percent chromium. These wear losses cause both a drain upon the supply of critical and strategic minerals, as well as monetary losses estimated to be even greater than those due to corrosion. Also, other costs are associated with high-wear situations in the minerals industry such as direct materials cost for repairing or replacing parts and equipment made with critical alloy materials and lost production costs. By studying both the wear process and alloy compositions, adequate grinding media alloys that do not require a high critical metal content can be devised.

In fiscal year 1984, fundamental studies of the wear process will be addressed as follows:

*Wear-resistant materials for mining and mineral processing equipment (BM-43).*—New materials containing complex carbides and intermetallic compounds, designed specifically to resist high-impact wear for use in crushing and grinding operations will be investigated. Studies will be conducted on low-stress abrasion, and the mechanism of erosion of pipes and fittings used for pneumatic transport of ores, coal, and ash will be investigated.

*Corrosion of grinding media (BM-43).*—Chemical and electrochemical factors that promote corrosion losses of grinding media will be determined and techniques for reducing these losses will be devised.

*Protective coatings of electrodeposited copper-nickel alloys (BM-44).*—A methodology for electroplating copper-nickel alloys onto common structural alloys, including plain carbon steel, aluminum, zinc, copper, and magnesium alloys will be determined.

Also in fiscal year 1984, new technology and new alloy compositions to reduce both wear and the use of critical and strategic minerals will be evaluated as follows:

*Hardfacing alloys containing minimal critical metals (BM-43).*—New iron-base hardfacing alloys that conserve critical metals, improve processing efficiency, and lower costs will be evaluated.

*Substitutes for critical materials in mining and minerals processing equipment (BM-44).*—Substitute construction materials for use in hostile environments through the use of cast-on surface coatings, implants, or infused hard particles for improved wear- and erosion-resistance will be investigated.

### WEAR RESISTANCE DECREASE

Senator McCLURE. How much do you expect to save in fiscal year 1984 by terminating that research which is identified on page 47, which you made reference to earlier?

Mr. W. MILLER. Approximately $100,000, sir.

Mr. HORTON. The total, sir, is $1,545,000.

Senator McCLURE. Are you referring to a different number?

Mr. W. MILLER. Excuse me. The number $1,545,000 is the total amount requested for the decrease. The amount I quoted, the $100,000, is the amount associated with that specific project.

Senator McCLURE. I am expecting a vote on the floor almost any minute on legislation that's pending there. That's the reason I am skipping over some other items. We will submit some questions for the record.

### LAND ASSESSMENTS PROGRAM

Turning to the land assessment program, the Bureau will, beginning in fiscal year 1984, directly fund all land assessment activities, including those formerly funded through the Bureau of Land Management. For fiscal year 1983, Congress appropriated $5,777,000 to the Bureau of Mines and another $1,687,000 to the BLM for a total bureau land assessment program of $7,464,000. This year, you are proposing a program level of $6,434,000. Why have you proposed this reduction of just over $1 million?

Mr. HORTON. Because of a continuing decrease in the funding required by our having accomplished much of the land assessment work that we are statutorily directed to do. We are close to completion on Forest Service lands and on some of the wilderness areas. Much of our work, as it was last year, is in report preparation. We are nearing the end of many of these projects.

Senator McCLURE. In the absence of other budget considerations, what is your estimate of how much it will cost to complete the land assessment program on Forest Service and BLM lands?

Mr. HORTON. Could we supply that for the record, Mr. Chairman?

Senator McCLURE. If you would, please.

[The information follows:]

### COST TO COMPLETE LAND ASSESSMENTS

The BLM through its wilderness inventory efforts has identified about 24.4 million acres of public lands to be studied to evaluate their suitability or nonsuitability for designation as wilderness. Of this amount, BLM currently estimates acreage ranging from 8.8 to 13.5 million acres will likely be recommended as suitable and will need mineral surveys. The amount of land to be surveyed will be defined upon completion by BLM in fiscal year 1986 of its land-use plans for all study areas. The Bureau of Mines has completed 2.2 million acres, leaving an estimated balance of between 6.6 to 11.3 million acres to be done. This range is reflected in the estimates below:

[All figures are millions]

| Land categorgy | Total acres | Acres to be done | Estimated cost[1] |
|---|---|---|---|
| Forest Service | 44.2 | 7.7 | $16.5 |
| BLM | 24.4 | 6.6 to 11.3 | 14.2 to 24.2 |
| Interior lands[2] | 7.8 | 4.1 | 8.7 |
| Total | 76.4 | 18.4 to 23.1 | 39.4 to 49.4 |

[1] The estimated cost, which includes the fiscal year 1984 budget request, covers both the cost of fieldwork and the cost of report preparation.

[2] In addition to lands under jurisdiction of the Forest Service and BLM, administratively-determined wildlife refuges and game ranges under jurisdiction of the Department of the Interior are also intended to be studied.

### LAND ASSESSMENT DISTRIBUTION

Senator McCLURE. Of the total 1984 request, how much is to be allocated to the Forest Service and how much to the BLM?

Mr. HORTON. We have it in terms of acreage but not in terms of dollars, Mr. Chairman.

Senator **McClure**. All right. Give it to me in acreage.

Mr. **Horton**. Yes; we have 1.5 million for the Forest Service and 3.4 million for the Bureau of Land Management.

Senator **McClure**. Would you provide for the record the breakout in dollars, or would it be proportionate to these acres?

Mr. **Horton**. I would rather provide it in dollars for you, sir.

Senator **McClure**. If you would, please.

[The information follows:]

*Land assessments funding*

| Category: | *1984 estimate* |
|---|---|
| Forest Service | $1,922,000 |
| Bureau of Land Management | 4,051,000 |
| Mineral investigations [1] | 461,000 |
| Total | 6,434,000 |

[1] Mineral investigations consist primarily of the review of engineering/environmental study documents. These documents include environmental impact statements and assessments, river basin studies, and State coastal zone management program plans.

### LAND ASSESSMENT ACREAGE

Senator **McClure**. How many acres of BLM and Forest Service wilderness or proposed wilderness lands have had mineral potential assessments and how many acres remain to be done?

Mr. **Horton**. The total for Forest Service, Bureau of Land Management, and Interior lands is 76.4 million acres. As of January 1, 1983, field work was completed on 43.4 million acres.

Senator **McClure**. Is that in addition to the 76——

Mr. **Horton**. 76.4 is the total to be done. Of that we have completed the field work on 43.4 million and have reports on 23.1 million.

Senator **McClure**. And what was the last figure?

Mr. **Horton**. 23.1 million. Lest I lead you astray, it's the completion of the report, the 23.1 million acres, that is totally complete.

Senator **McClure**. You have completed 23.1?

Mr. **Horton**. Yes, sir.

Senator **McClure**. You are about half done on the remainder of 76.4 million, yet your budget request implies that you are winding the efforts down.

Mr. **Horton**. Much of the effort is now required in the preparation of reports rather than the field work.

Senator **McClure**. You still have half of the field work yet to be done. You have done 43.4 million and you have got 33 million to go.

Mr. **Horton**. Yes, sir. But not all this need be reported. Let me correct that. I may have made a statement that is not correct.

Senator **McClure**. I wouldn't want you to do that.

Mr. **Horton**. Mr. Dupree will respond to that.

Mr. **Dupree**. Some of this land is Interior land—that is, parks, game preserves, et cetera—on which it is discretionary as to whether any studies need to be done. On the wilderness study areas from the Bureau of Land Management there is indefiniteness as to whether we will really have to do the 20.4 million, and as far as the field reports are concerned——

Senator McClure. You mean the BLM is going to go ahead and make wilderness recommendations without having had any assessments done?

Mr. Dupree. No; there is a question of how many acres we will end up having to do. They will have some discretion here and also as far as the field reports are concerned, on the Forest Service land, we are going to finish about 13 million acres in fiscal year 1983.

The field work has substantially been done, and it's merely a question of finishing up reports to make the January 1, 1984, deadline.

Senator McClure. I understand the latter part that where you have done the field work on 43 million acres, the same level of manpower or dollar cost may not be required. But I am a little concerned when we look at the fact that we have got 33 million acres yet to go and we have changed the manner of funding from passing through one agency to a direct appropriation. Am I seeing now a loss of interest in that program?

Mr. Horton. Oh, not at all. No, sir. The decrease, if I may shed a little light on it, is the difference between our 1984 report requirements and the 1991 report requirement, which apply to BLM lands.

Senator McClure. Well, the BLM has already told us they are going to have these reports done substantially ahead of that date. Have they told you that?

Mr. Horton. I am not sure that they have.

Senator McClure. Well, I will tell you that, then. They have said they are going to do it ahead of that date. They expect to have it done by 1987 or 1988.

Mr. Horton. I will have to check on that.

Senator McClure. I would suggest that maybe the schedule is out of sync.

Mr. Horton. Well, BLM is doing a fair amount of what they refer to as phase I work themselves, and it may be phase I work they are referring to, rather than the later work we do.

Senator McClure. Well, the phase I work they have to do certainly must be before you do yours. But if they are still going to complete their reports by 1987 or 1988, that simply means they are going to get the phase I work done earlier, and you are going to be called upon to do your work earlier. Yet, I don't see that reflected in the budget request at all.

I hope you will take a look at that and provide some further information for the record, if you would.

Mr. Horton. We will, Mr. Chairman.

[The information follows:]

### BLM Deadlines and Bureau Timetable

The Bureau of Land Management (BLM) is currently evaluating wilderness study areas (WSA's) for wilderness "suitability" as part of its land-use planning system. The land-use plan for the California desert conservation area (CDCA) was completed in fiscal year 1980 as required by the Federal Land Policy and Management Act. The BLM has a schedule for completion of land-use plans containing areas outside the CDCA. The BLM plans will provide a wilderness environmental impact statement outlining "preliminary" suitability recommendations for each WSA. Since mineral surveys are required only for areas recommended as suitable, for wilderness designation, mineral land assessment surveys are not initiated until such a "preliminary" decision is made. Once the material survey is completed, the results will be incorporated into the final witnesses recommendation. The overall schedule is as follows:

Fiscal year 1984—Approximately 16.8 million of the 18.8 million acres of WSA's outside the CDCA will have completed land-use plans.

Fiscal year 1986—All BLM land-use plans on WSA's are to be completed.

Fiscal year 1987—Last year for major new starts of mineral land assessment surveys on WSA's.

Fiscal year 1989—Currently planned completion deadline for mineral surveys. This will allow BLM the 18 months necessary to incorporate mineral results into its final recommendations.

October 21, 1991—Legislative deadline for submission of wilderness recommendations to the President.

October 21, 1993—Final date the President can forward his recommendations on WSA's to Congress.

### LAND ASSESSMENTS INFORMATION

Senator McClure. As you know, I am not at all happy with the level of the reconnaissance work that you are permitted to do now. I have never been satisfied that you are able to give us the kind of information we really ought to have, and I know that the experts with your agency, within the Service itself, whether BLM, Forest Service, or the Bureau of Mines, have not been happy with the level of work and the level of certainty with which you can report to us.

I think it's a national shame that we make land assignments based upon such little information. That's not your fault; that's the fault of the Congress that really, in essence, tries to give you the minimum amount of money so you can do the minimum amount of work, and then we can say, "Well, we have looked at it. Therefore, we don't have to worry about it."

It's kind of a way of salving our own guilty conscience in the Congress. I don't want to focus on that except to indicate that a further reduction in your budget request really does concern me.

Mr. Horton. We were pleased last year that the Senate saw fit to restore the House's cut in this program.

### MINERAL INSTITUTES

Senator McClure. I am happy to note that with regard to the Mineral Institute program you are no longer claiming that because the institutes are not "uniquely Federal," they are not proposed for funding. This year you have proposed them for no funding because "the institutions have other sources of public and private support to help meet their program objectives."

Have any such public or private sources stepped forward to pick up the slack which would be left if we approved your budget request?

Mr. Horton. Yes, sir. A couple that I am aware of. One is the SOHIO announcement I mentioned earlier, $10 million for total research, and a fair portion of that in mineral industries which they propose is for universities.

Senator McClure. Will that be spread over all the institutes, or just one or two?

Mr. HORTON. I don't know just what the spread might be.

Senator MCCLURE. Have you made any attempt to solicit assistance from any of the public or private sources?

Mr. HORTON. I have talked with mine companies on research and development and the need for them to support the universities. At my own alma mater, the Mackay School of Mines, they have a goal of raising $8 million in research funds, and about half of that has been collected now.

## EDUCATION FOR MINING PERSONNEL

Senator MCCLURE. How many mining engineers, geological engineers, and geologists are graduating each year in the United States?

Dr. MORGAN. We would have to provide that for the record.

Senator MCCLURE. Could you also provide for the record those who are each year granted advanced degrees?

Dr. MORGAN. We have that information. Yes, sir, we will provide it.

[The information follows:]

### GEOLOGICAL AND MINING ENGINEERING GRADUATES

In 1982 there were 1,078 bachelor, 205 master, 2 professional engineering, and 32 doctoral degrees granted in the United States for geological, mineral, and mining engineering studies.

## MINING INDUSTRY PERSONNEL NEEDS

Senator MCCLURE. Would you also provide for the record an estimate of the need in the industry?

Dr. MORGAN. Yes, sir.

[The information follows:]

### NEED FOR PERSONNEL IN THE MINING INDUSTRY

The current demand for mining and metallurgical engineers has declined precipitously. The Colorado School of Mines reported last year a 35-percent decline in the number of students who got jobs. The Penn State Mining Engineer reported that of 31 recent mining engineering graduates seeking industrial employment, 9 remain unemployed. Recently, the Society of Mining Engineers conducted a survey to determine if job interviewing facilities should be available at the March 1982 annual AIME meeting. No facilities were set aside because there was only one respondent out of 9,392 who had a position open and was interested in interviewing.

Neither the Bureau of Labor Statistics nor the engineering societies make projections of the long-term need for new hires of engineers and scientists in the mining industry. The Bureau of Labor Statistics does project, based on various economic assumptions, the total need for trained personnel in the domestic mining industry in 1990 to be in a range from 38,200 to 50,000 engineers and from 27,200 to 28,700 scientists. In 1980, there were approximately 26,600 engineers and 19,300 scientists working in the industry.

## NEED FOR TRAINED MINING PERSONNEL

Mr. HORTON. Unfortunately, as you are probably aware, at the present time it's very slight.

Senator MCCLURE. But I get from the administration some optimism about the future.

Mr. HORTON. I get the same optimism, and I share it.

Senator McCLURE. That would indicate that we do not look at current mine closures as being the wave of the future.

Mr. HORTON. No, sir.

Senator McCLURE. At least not from this group.

If you would provide an estimate of where the mining industry is going with respect to the need for trained personnel in the area of Mineral Institute, it would be helpful. After all, that's why Congress got involved in it in the first place. We were not generating enough education and enough technically qualified and trained personnel to staff the future needs of the industry. As mines opened up, suddenly we would find we did not have enough qualified personnel to do the job that had to be done. The comparison we make with the levels of training in this country with levels of training in other countries finds us sliding behind in this area.

And I am not one of those who believes that U.S. security can be met by allowing basic industries to move offshore. I am not talking about just producing mining engineers and geological engineers to staff mines in Australia or Brazil or Chile, although a good many of our mining enterprises do operate in those areas. I am talking about what we have to do in this country, and I trust we will never lose sight of that fact.

Mr. HORTON. Several companies, you may be interested, have observed to me that one reason for their increased interest in supporting universities are some of the unfortunate lessons they have learned during the recent recession, where they found they could indeed use better trained and more skilled people.

### MINERAL INSTITUTE GENERIC CENTERS

Senator McCLURE. Has the mining and metal industry, generally speaking, commented to you with respect to the value of a system of generic research centers?

Mr. HORTON. There have been a few comments.

Senator McCLURE. A few?

Mr. HORTON. Yes; I don't recall a large number.

Senator McCLURE. Have they been positive or negative?

Mr. HORTON. Positive. A few in number. I don't recall but one or two comments.

Senator McCLURE. Of the 31 mineral institutes, only 16 have been participating in the generic research program. When the fifth generic center gets underway, perhaps two to four more institutions will get involved. Has the Bureau been looking at ways other than no funding to either get the remaining 10 or 11 institutions more involved, or phase them out of the program?

Mr. HORTON. We have not been looking at ways to get them more involved as mineral institutes; no, sir. We were following the instructions in the legislation asking us to examine methods for consolidating the institutes.

## ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. As you can tell by the bells, I am going to have to go to the floor to vote, and I think this may be a good point at which to thank you for your testimony and appearance here today. Other questions will be submitted to you for response in writing for the record. Thank you very much for your testimony.

The subcommittee will stand in recess until I can return from the floor, at which time we will hear the testimony from the National Gallery of Art.

[A brief recess was taken.]

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### DUST CONTROL

Question: As indicated in your justification, you have made considerable progress towards solving the longwall dust problem and getting longwall operations in compliance with Federal dust standards. You have moved from 50 percent compliance in FY 1981 to 66 percent compliance at present. What remains to be done to achieve close to 100 percent compliance and when do you feel that level can be reached?

Answer: Application of Bureau technology has contributed to lowering the average dust levels as reflected in the improved compliance statistics determined by the Mine Safety and Health Administration (MSHA). Reducing dust levels to as low as reasonably achievable continues to be the major emphasis of the program. The level of improvement that can be achieved is, however, difficult to quantify and project since we currently do not know the full limits of available technology, much less the limits of concepts being investigated. Based on research results to date and as available technology becomes more widely used, MSHA is confident that compliance levels will continue to increase.

Question: You have mentioned that in FY 1984 you will identify long-term solutions to longwall mining system problems. Haven't you been doing this in the past? Please clarify this statement more fully.

Answer: The Bureau of Mines over the last several years has been working toward both immediate and long-term solutions to the longwall dust problem. Progress in longwall compliance has increased as a result of these efforts, particularly with development of short-term innovations, such as the shearer-clearer concept. However, fundamental problems still remain to be answered. Therefore, over the next few years, Bureau research will be aimed at further improving compliance by gaining a better fundamental understanding of the interaction between dust and water, dust dispersion and dilution, and coal fragmentation. Examples of research to be done include research on effects of cutting bit geometry on dust generation; studies to understand and define the interaction between coal dust and various chemical agents for possible use as dust suppressants; and studies of new cutting concepts to enhance cutting effectiveness while reducing dust generation.

### NOISE CONTROL

Question: Under Noise Control, you state that current research strategy emphasizes incorporation of noise control technology into the design and manufacture of new equipment. What role is industry playing in this effort?

Answer: The Bureau has had significant success with industry adopting its research results and applying them to new models of equipment in order to reduce machine noise levels. Typically, this occurs after Bureau research establishes feasibility; industry then modifies the concept or device so it can be designed into new models of equipment.

Examples of the incorporation of noise control techniques into the design and manufacture of new equipment include the following:

1. Bureau research on load-haul-dump (LHD) machines showed that the vibration of certain components was a major source of noise and recommended vibration isolation as a remedy. A major manufacturer of LHD's subsequently incorporated vibration isolators on two of their models and they are considering including this noise control feature on all future models.
2. Bureau research on using mufflers to reduce noise levels of stoper drills has resulted in at least two companies designing modified mufflers which are currently commercially available for use on a wide variety of percussion drill models.
3. In FY 1982, Bureau research was completed on a reduced noise auger miner. The redesigned cutting head has recently been made commercially available by a major manufacturer of auger type continuous miners.
4. Present research is investigating a new concept (the isolated bit concept) for reducing the noise levels of a continuous miner. We are currently working with equipment manufacturers to refine the concept so that industry can adopt and incorporate it into future models of continuous miners.
5. We are currently investigating several new concepts for reduced noise percussion drills. If successful, this could result in wide application by drill manufacturers with even more significantly reduced noise levels.

Question: Do Federal noise regulations limit any newly developed equipment from use underground?

Answer: Federal noise regulations have limited the allowed operational time per shift of some pieces of equipment used underground. However, there is no equipment which has been prohibited for use underground based on noise regulations.

## USE OF DIESELS

Question: How many states prohibit the use of diesel engines in underground mines? Are more states adopting this prohibition in an effort to improve mine air quality?

Answer: Currently, six states prohibit the use of diesel engines in underground coal mines. These states are Oklahoma, Illinois, Indiana, Tennessee, Alabama, and West Virginia. No additional states have adopted this prohibition in the past several years.

Question: Are diesel emissions considered the single most important source of mine air contaminants or do explosives and other sources rival diesel emissions in terms of importance to control?

Answer: In terms of human exposure, diesel emissions are considered the most important source of mine air contaminants. Even though the amounts of toxic gases emitted by explosive detonations and diesel emissions are comparable, the normal mine operating procedures limit worker exposure to explosive fumes. This is accomplished by blasting at specific times of a shift so that the mine can be cleared of workers for up to several hours after the blasting. During this period of time, the mine ventilation system clears the mine of the toxic gases produced by blasting. Such a procedure is not practical for diesel emissions removal since diesel engines are in continuous operation throughout the work shift. Diesel emissions are diluted by ventilation of the work places during mining. Other sources of toxic gases such as welding fumes, decomposing timbers, and indigenous gases are considered minor compared to diesel exhausts.

Question: Do the states that have prohibited the use of diesels underground have considerably better health records than those that have not? Have there been any adverse affects of this prohibition, such as more accidents, lower production, or more unemployment?

Answer: At this time, we have no information which indicates that the states that have prohibited the use of diesels in underground coal mines have considerably better health records than those that have not. Rather it is thought that the use of diesels in mines results in safer operating conditions and increased productivity.

## HUMAN ERROR

Question: For Industrial Hazards research, you have requested $7,687,000, or some 31 percent of the total safety research budget. Among other things, you propose to continue training programs, provide information to miners, and develop improved work practices by miners. Am I correct that the primary purpose of these programs is to reduce human error, which contributes to approximately 85 percent of all industrial accidents and is a major problem causing about 90 percent of all mining injuries?

Answer: The purpose of the Bureau's training research is to reduce the high number of accidents attributed to human error. Our approach is directed at two areas: (1) to improve training methods and miner awareness of safety risks, and (2) to minimize the hazard potential through a redesign of work procedures and stations based on human factors engineering principles which can result in a more safely performed task.

In addition to developing training materials, industrial hazards research addresses accidents faced by miners handling supplies, hoisting and hauling material (these three areas address more than one-third of all mining accidents), using electrical equipment, operating mining machinery, using hand tools, or subjected to tripping and slipping. These accidents are believed to be generally caused by human error and the Bureau's research program is reflecting this philosophy.

Question: Isn't there just so much that can be done to reduce human error? Is there really any new training method that can be employed which will significantly reduce accidents?

Answer: There are a number of potential methods, such as team building and quality circles, which can be employed by the mining industry to reduce human error accidents. These methods, existing in other industries must be evaluated and tailored for the mining industry prior to their use. Training research will constitute over 10 percent of the funding in Industrial Hazards for FY 1984.

Question: Because of the human element involved, it seems that this subactivity is very costly relative to the potential results. Do you feel this is the case? If so, why have you proposed such a high level? If not, what evidence do you have which will suggest otherwise?

Answer: The Bureau's research objectives address long-term, high payoff research that can be widely applied by the mining industry. While human error is a useful concept, it must be stressed that attributing accidents to unsafe acts or unsafe conditions often obscures the real cause of accidents. Human error may have been involved in the accident, but the critical question is, what caused the human error? Perhaps more importantly, can this human error be reduced through training or other applied behavioral sciences. Statistics suggest that it can.

In a recent Bureau study, an accident cost indicator model was developed that revealed a conservative estimate of the cost of an accident to a mining company is approximately $72,000 per accident and $624,000 per fatality. That translates into nearly three billion dollars over two years that could be saved with an effective effort by government, labor, and industry addressing human error accidents, their causes and subsequent solutions. In recent testimony by the Assistant Secretary for Mine Safety and Health, before the House Comittee on Education and Labor, Subcommittee on Health and Safety, the Honorable Ford B. Ford stated that industry is eager in looking beyond the existence of specific violations to find the root cause of hazards and eliminate them, whether the causes are in mining conditions, management problems, or the attitudes of personnel, i.e. human behavior. MSHA, labor, and the Bureau all agree that this problem must be addressed if there is to be a reduction in the number of accidents.

## FRICTIONAL METHANE IGNITIONS

Question: Under Fire and Explosion Prevention research, you have reported that methane ignitions in coal mines have increased to about 100 per year. How does this compare to previous years? Is the depth of the mining activity or method of mining the primary reason for the increase in methane ignitions, or are there other reasons as well?

Answer: Frictional methane ignitions occur when accumulations of methane at the mine face are ignited by a frictional heat source such as a cutting bit on a continuous mining machine striking sandstone or other hard inclusions within the coal seam. Frictional ignitions continue to occur because:

1. Gas feeders from fissures continue to appear unexpectedly within the coal face releasing methane at a rate that overpowers the diluting effect of ventilation;
2. At increased depths, coal deposits contain more methane than do shallow deposits. As mining activity progresses in these deeper deposits, the release of increased amounts of methane as coal is mined will place a greater demand on mine ventilation systems needed to dilute the methane to safe concentrations. Additional methane will increase the likelihood of frictional methane ignitions; and
3. It appears that increased use of continuous miners and longwall shearing machines increases the occurrence of frictional ignitions.

The number of frictional methane ignitions reported in coal mines for previous years are as follows:

| | |
|---|---|
| 1974-1978 | average 50 per year |
| 1979 | 100 per year |
| 1980 | 80 per year |
| 1981 | approxmiately 100 per year |

Question: Specifically, what research is being conducted to control methane ignitions and what progress has been made in this regard over previous years?

Answer: The Bureau is working on cutting bit and spray system designs to reduce methane ignitions at the coal face. Variables have been identified that explain approximately 75 percent of the explosions caused by cutting bits. With this information, modifications and testing have been performed to determine the safest yet most effective cutting design. A technique that sprays water on the area immediately behind the cutting bit has been devised that reduces frictional bit ignitions on longwall shearer drums. As a result, ten commercially available drums were modified by manufacturers and sold to the mining industry. Eight of these drums have already been field tested and found mechanically sound; the other two are awaiting field testing. Negotiations have begun between manufacturing and mining companies to design, fabricate, and test an anti-ignition continuous mining machine using Bureau shearer technology. These efforts should result in progress in reducing frictional bit ignitions now occurring from continuous mining machines.

## ROOF FALL WARNING SYSTEMS

Question: Please provide details of the automated microseismic roof fall warning system, including, but not limited to, a comparison of this system with other currently used warning systems and projected benefits from this new system.

Answer: As mining occurs, stress becomes concentrated in the structural members of mine roof, rib, and floor. Prior to failure, microscopic cracks and small displacements occur, which emit vibrations. The microseismic roof fall warning system analyzes those vibrations in the frequency band from 36,000 to 100,000 Hertz. The device counts the number of vibrational events per one minute interval and estimates their energy for the same interval. Bureau research has shown that a sharp peak often occurs in the ratio of energy to events prior to ground failure. The device was designed to satisfy MSHA requirements for use of equipment in underground coal mines. It is expected to provide audiovisual warnings against an impending roof or rock fall, when the energy-to-event ratio reaches the critical threshold. This is a unique device capable of continuous, automated performance of roof monitoring, data analysis, and hazard warning, within an area about 100 feet radius surrounding the sensor which is installed at the mine roof.

Other roof fall warning systems, which are based on measurement of the convergence or the rate of convergence between the roof and the floor or based on measurement of the roof sag or the rate of roof sag, require prior knowledge or determination of the critical value of convergence, convergence rate, roof sag, or roof sag rate at the specific location of measurement to ensure timely and accurate triggering of warning signals.

Potential benefits from the new microseismic system are that coal miners at the working mine face will be provided with more reliable warning of impending roof failure in the vicinity of their working place; thereby, adequate remedial roof support measure or safety precautions can be taken to avoid injuries. So far, the new system has proved successful in providing an early warning of relatively large-scale roof falls, such as roof caving during pillar extraction. More field data are being collected to further assess the reliability of predicting smaller scale roof falls with this device.

## MINE MONITORING SYSTEM

Question: Please provide a detailed explanation of the totally safe mine monitoring system you plan to evaluate during FY 1984.

Answer: A mine monitoring system provides information on mine environmental parameters such as ventilation, methane concentration, oxygen concentration, carbon monoxide concentration, and temperature. A totally safe mine monitoring system provides this information using underground equipment and electrical circuitry that cannot cause a methane ignition under any fault situation. The totally safe mine monitoring system is being designed so that the monitoring system can continue to operate during mine emergencies. The system consists of a surface-mounted computer, intrinsically safe power supplies, surface to underground mine electrical cables, and in-mine sensors. Since this system can be operated in mine emergencies, methane concentrations can continue to be monitored when the mine ventilation is forced to shut down due to emergencies such as a fire or explosion. Before rescue or re-entry teams enter the mine, the conditions inside the mine can be analyzed in advance, thereby greatly enhancing safe rescue operations.

## ADVANCING MINING TECHNOLOGY

Question: With regard to the Mining Technology activity, you indicate that, rather than addressing incremental improvements to existing methods and equipment, the program will focus on new concepts to lay the groundwork for changes in technology that will be needed to mine deeper, lower-grade deposits in the future. This statement seems to indicate you expect to take quantum leaps in advancing the technology of mineral mining rather than progressive steps. Am I correct in this analysis or do you in fact have a different interpretation? If so, what is it?

Answer: In our view, dramatic changes in technology are needed if this country is to reduce its dependence on imports for mineral commodities, especially those considered critical and strategic. With today's equipment and techniques, we are not able to mine many of our low grade deposits of critical and strategic minerals, and we are even becoming dependent on foreign sources in the more plentiful, but essential, commodities such as copper, iron, lead, and zinc.

Engineering refinements of existing techniques/equipment are important and will continue to occur through competition in the market place. For many years these types of improvements (more efficient, higher capacity machines) helped the domestic industry to keep pace. Federal research should more appropriately be directed at innovative concepts which can lead to a new generation of equipment and systems, such as new cutting techniques applicable to hard-rock mining.

## ACID MINE DRAINAGE

Question: Turning to Resource Conservation Technology, please outline briefly for the Committee what exactly is being done in the area of acid mine drainage research?

Answer: The Bureau of Mines is conducting research to solve the acid mine drainage problems associated with active and abandoned mines. Projects are directed toward improving prediction of acid potential; developing techniques to control the problem at its source or to prevent acidification; improving water treatment efficiency;

and integrating control of acid drainage with mine planning, reclamation and mine closure.

Question: How far along are we in developing solutions to the acid mine drainage problem?

Answer: The Bureau of Mines has, in the past two years, accomplished the following:

1. Developed a method being rapidly adopted in the mining industry to slow the formation of acid mine waters using anionic surfactants. This technique is inexpensive and environmentally safe; use of the surfactant three times a year has reduced acid drainage 90-95 percent at an active coal refuse area.
2. Developed an inexpensive method to aerate mine water as part of the treatment process. The method has no moving parts and is placed in-line with existing mine pump systems.

At our requested level of funding, the following should be completed during the next two years:

1. A field evaluation of the various overburden analysis procedures for pre-mine prediction of acid drainage, and developmental work to decrease the cost of pre-mine planning and mine permitting.
2. The development and field evaluation of an at-source control technique suitable for underground mines. Anionic surfactants are inappropriate underground due to their high solubility. We are currently screening other organic compounds which will react with the iron in the mine water to form a bacteriostatic reservoir for long-term control of the catalytic bacteria. If this is successful, it should dramatically decrease acid production and reduce water treatment costs for most underground mines.
3. An investigation into the use of sphagnum moss bags as natural treatment systems for acid mine water. Our research indicates that the moss can function at a pH as low as 2.5 and that metals and sulfate are both removed. Neutralization is accomplished by limestone. The system has been tested at a pilot-scale flow rate of one liter/minute. Full-scale field tests will be set up at acid seeps during the summer of 1983.

Question: Can additional funds be used effectively to solve the acid mine drainage problem?

Answer: We are proposing $250,000 for acid mine drainage research, which we regard as adequate to meet the needs in this area.

Question: To what degree is the private sector supporting research in the acid mine drainage area?

Answer: In October 1982, an Acid Mine Drainage Technology Transfer Symposium was held in Pittsburgh to discuss recent achievements and current research projects. Over 300 attended, making it the best attended Mining Research Technology Transfer Meeting to date. We have had a high level of cooperation from mining companies, including cost sharing of all field tests.

## POWDER METALLURGY TECHNIQUES

Question: What are some of the possible future applications of powder metallurgy and what do you feel are their limitations?

Answer: In powder metallurgy, metallic products are produced by the basic steps of producing metal powders, pressing the powders, and sintering the compacts, rather than by melting and casting or melting, casting, and subsequent working. Through powder metallurgy, important advantages can be gained and many problems solved in the production of high melting metals and composite materials not achievable in more traditional metallurgical processes.

Technological applications of powder metallurgy are:

- Products which cannot be or are not readily produced by fusion metallurgy, including refractory metals, cemented carbides, porous products, combinations of metals insoluble in each other in the liquid state, and a combination of metals and nonmetals, called "cermets."

- Products which are fabricated more economically by powder metallurgy than by fusion metallurgy processes. These include structural and magnetic parts produced to close dimensional tolerances, and products from high-cost alloys which can be produced to "near-net shape" by powder metallurgy.

- Products whose properties are superior when produced by powder metallurgy because of limitation of fusion metallurgy processes.

In the future, powder metallurgy prepared parts will continue to be important in the automotive industry, business machines, and the aircraft industries. Many new markets undoubtedly will be developed, particularly for powder metallurgy items made from aluminum and titanium.

Besides cost factors, the most serious limitation in powder metallurgy is the size of the product that can be made. Generally, powder metallurgy parts weigh at the most only a few pounds. However, with some of the more advanced technologies much larger parts have been produced.

## SCRAP RECYCLING

Question: You have reported that because of the lack of inexpensive, rapid identification methods for separating the thousands of alloys currently scrapped, efforts to recycle these individual alloys from mixed scrap have been less than successful. Specifically, what work do you plan on doing in FY 1984 to resolve this problem?

Answer: In the area of scrap identification, we have already developed rapid identification procedures for identifying a series of aluminum alloys and copper base alloys. Future work will be concentrated on identification of critical materials such as stainless steel and superalloy scrap by methods such as thermoelectric sorting, portable X-ray units, and spark testing. Other work on recycling of scrap metals will include techniques to dissolve superalloy scrap and separate it into its individual components of chromium, cobalt, and nickel; methods to recycle stainless steel wastes, such as turnings and grindings; recovery of critical metals from waste catalysts; recovery of copper and zinc from flue dusts; and recycling of aluminum from solid impurities removed from the metal when it is melted or refined.

## PUBLICATION COSTS

Question: Last year we briefly explored the costs associated with the Minerals Yearbook which, perhaps understandably because of its size and limited distribution, does not fully pay for itself. Are there in fact any Bureau of Mines publications which essentially pay for themselves?

Answer: Three are no Bureau of Mines publications which essentially pay for themselves, in the sense that all costs involved in gathering and compiling, writing, editing, typesetting, printing, and distribution are recovered. Most Bureau publications result from research or data collection activities carried out by the Bureau, and the publications disseminate research results, statistics, and analyses that result from those activities. Currently, all sales publications are sold through the Government Printing Office (GPO), who establishes prices for the reports. All revenue generated from these sales goes to GPO.

Question: Does the Bureau have a system of user fees and charges for all its publications and data systems made available to the public?

Answer: For sales publications, prices are established by the GPO. The Bureau in its monthly list of publications quotes the prices for those reports as well as for reports (open file reports) that it places with the National Technical Information Service. Fees have been established for computer tapes which are available to the public. These fees are also listed in the monthly list.

Question: You reported last year that some Minerals Yearbooks are made available free of charge to various individuals and groups. How many of other such publications and assorted minerals data is made available free of charge? Have you ever considered charging -- even a nominal fee -- for these services? If not, why not?

Answer: All Reports of Investigations (143 in fiscal year 1982) and Technical Progress Reports (5) are distributed free of charge, as are our monthly (25), quarterly (11), and annual (71) Mineral Industry Surveys. Of the 40 Information Circulars published in fiscal year 1982, 24 were free of charge and 16 were sold through GPO. Of the 9 miscellaneous type reports (special publications, mineral perspectives, and mineral issues), all but 2 were for sale.

The Bureau has no authority to independently sell its publications. In addition, most print runs are relatively small, usually less than 2,000, and the potential audience is limited in size. In these cases, GPO will not sell publications with such a limited, specialized audience.

## MINERAL SUPPLY DISRUPTION STUDIES

Question: With regard to policy analysis, your staff recently completed policy studies to assess the effectiveness of alternative U.S. policies to reduce the cost of a supply disruption of platinum, cobalt, chromium and manganese. Briefly, what did those studies show? Have other similar studies on other strategic or critical materials been completed? If so, please identify them, including a brief explanation of the results, for the record.

Answer: The policy analyses showed that no one policy was optimal for all four materials. Release of materials from the National Defense Stockpile is an alternative in the case of a national emergency or in specific cases where defense contractors need the materials to meet DOD procurement deadlines. However, the stockpile cannot be used for economic purposes as in periods of tight markets. Moreover, the stockpile is far from complete in platinum and cobalt. The most effective policy for platinum was a modest modification of EPA auto emission standards involving engine start-up, which would reduce platinum consumption in catalytic converters by 65 percent. For manganese, one alternative would be to add increased production capacity in Mexico if South Africa and Gabon, our major suppliers, were cut off. Expanded capacity in Mexico would probably require U.S. Government support for increased mining, refining, and infrastructure which would require time to put into place. Mexico would be reluctant to take on this expense without a long-term purchase contract. In any event, a cut off of South Africa and Gabon supplies would result in worldwide shortages that would increase competition among the major consumers that could further exacerbate the problem.

A potential problem of our vulnerability to loss of ore processing capacity for ferroalloys was identified during these studies. Each year the Nation has lost capacity as the ore producing countries vertically integrate and export processed rather than raw products to the United States. Since new production from reserves in other areas of the world is counted on to replace disruption supply sources, and that new production is likely to be ore rather than ferroalloys, it is important for the United States to be able to process its new supply. This is a matter for concern in light of the diminishing capacity of the United States to process its ores.

We have contracted for the development of nickel, aluminum, and copper models to be delivered in March 1983. These models will be used in future critical materials studies. In addition, a study of technological alternatives to cobalt use is scheduled for delivery in July, 1983.

Question: Your staff has also initiated development of a "Supply Disruption Response System for Policy Decisions." How far along is this system development and how will it work? Besides the Bureau of Mines, who is involved in it?

Answer: This system is in the early stage of development. We expect to complete a draft plan this spring. The next stages would be (1) testing the prototype system on several minerals; (2) making any changes needed for developing the working framework; and (3) extending the system to other important minerals. At the onset of a minerals supply interruption, the "Supply Disruption Response System for Policy Decision" should provide a better grasp of alternative policy options. Examples of possible options might include policies for encouraging substitution, recycling, and new production. The Bureau of Mines is the only agency working on this system. However, we would hope that other agencies would contribute data to the system once it has been developed.

## MINERAL INSTITUTES

Question: What is the general feeling by industry of the importance of the Mineral Institute program? Has industry commented--positively or negatively--on the move to the system of generic research centers?

Answer: The Bureau of Mines has received no direct comment from industry on the Mineral Institute program. However, several industrial laboratories wrote letters to the Bureau supporting specific proposals from individual institutes to establish generic mineral technology research centers. The Advisory Committee mandated by title III of the Act has always included several representatives from the mineral industry who have actively supported the program with their time and efforts.

## GENERAL ADMINISTRATION

Question: Your budget request calls for a reduction in the Office of Equal Employment Opportunity, which will result in an increase in the time necessary to process formal EEO complaints against the Bureau. How much time does this process now take and how much longer will it take under this 1984 budget request? Are there Federal or Departmental standards which require timely processing of such complaints? If so, what are they?

Answer: On the average it takes approximately 100 days for the Bureau to process a complaint once it is received. The time does vary, however, from case to case, depending on the complexity of the issues and the time spent negotiating to seek informal resolutions. Under the 1984 budget request, the processing time within the Bureau is expected to increase slightly over the FY 1983 level.

With regard to standards for timely processing, Equal Employment Opportunity Commission regulation 29 CFR 1613.281 allows the complaintant to file a civil action if there has been no decision after 180 days from the date of filing a complaint.

Question: You indicate on page 71 that the procurement function will be reduced by 12 full-time-equivalent employees and $160,000, thus resulting in about a 10 percent increase in the time required for processing contracting actions. Will this delay result in additional costs incurred by the Bureau?

Answer: It is not anticipated that this decrease will cause the Bureau to incur any additional costs, since the Bureau's overall contract workload is decreasing.

## HELIUM FUND

Question: Finally, with regard to the Helium Fund, you have carried forward an unobligated balance of over $10,000,000 the last two fiscal years. Are these funds in an interest bearing account? If not, why not?

Answer: The dollars shown in the Helium Operations obligated balance are not deposited to an interest bearing account. Under requirements of U.S. Treasury regulations (Treasury Fiscal Requirement Manual I TFRM 5-4000, Making Deposits), receipts are deposited daily to a designated General Depository, the Amarillo National Bank, Amarillo, Texas. The funds are cleared to the U.S. Treasury daily and entered into Helium Operations 14X4053 revolving fund. Scheduled payments by Helium Operations are sent to the Treasury which then issues checks against the account.

# NATIONAL GALLERY OF ART

**STATEMENT OF J. CARTER BROWN, DIRECTOR**

**ACCOMPANIED BY:**

**JOHN WILMERDING, DEPUTY DIRECTOR**
**JOSEPH G. ENGLISH, ADMINISTRATOR**
**CARROLL J. CAVANAGH, SECRETARY-GENERAL COUNSEL**
**HURLEY F. OFFENBACHER, CONSTRUCTION MANAGER**
**ROBERT C. GOETZ, TREASURER**
**WILLIAM H. ROACHE, BUDGET OFFICER**

### PREPARED STATEMENT

Senator McCLURE. The committee will come to order. We will now turn to the National Gallery of Art. The fiscal year 1984 budget estimate for the gallery totals $34,915,000, an increase of $2,037,000 over fiscal year 1983 appropriations to date. Also pending is a pay supplemental in the amount of $409,000.

Mr. Brown, we again welcome you to this committee. Your opening statement will be placed in the record in full. If you would please introduce your associates, we will proceed directly to the questions.

[The statement follows:]

### STATEMENT OF J. CARTER BROWN

Attendance at the National Gallery has been at a high level in recent years, and in fiscal year 1982 the attendance was 6,036,234. The primary reason for this continued high attendance has been attributed to the success of our special exhibitions program and continued public interest in the East Building as well as renewed interest in the West Building with the opening of new ground level public galleries in January 1983. The added gallery space of both the East and West Buildings and increased funding (Federal and non-Federal) have likewise contributed to this success.

Our fiscal year 1984 Federal funds budget request includes $4.25 million for the West Building renovation and restoration program approved by OMB and included in the President's budget for fiscal 1984. Completion of this phase is now scheduled in 1988 with total Federal costs estimated at $24,950,000.

The fiscal year 1984 Federal funds budget request, as amended by OMB, totals $34,915,000 and 823 full-time permanent positions with an OMB limitation of 781 FTE (full-time equivalent) employment. This amount reflects total increases of $2,346,000 offset by total decreases of $718,000, resulting in a net increase of $1,628,000 (4.9 percent) over the fiscal year 1983 budget of $33,287,000.

Fifty-one percent ($1,198,000) of the total increases is associated with personnel compensation. This increase provides: $210,000 for mandatory within-grade and wage-board step increases; $113,000 reduction due to savings from lapses in filling full-time permanent positions; $195,000 to restore reduction of base pay in fiscal year 1983 budget; $247,000 for an increase of 15 FTE employment work-years for full-time permanent positions; $156,000 to restore full funding for summer evening hours; and $503,000 for annualization of the fiscal year 1983 pay raise.

Ten percent ($231,000) of the total increases is required fro the increased costs of rents, communications, and utilities. This amount consists of $223,000 to cover the increased costs of steam and electricity usage for all structures; and $8,000 to cover the costs of additional photocopy machines, word processing equipment, and microfiche systems.

Nineteen percent ($450,000) of the total increases is requested in support of the gallery's special exhibition program. This is to restore the reduction of funds in fiscal year 1983 to bring the total back up to the fiscal year 1982 level. This overall program has been a huge success as measured by the gallery's increase in attendance in recent years.

Twenty percent ($467,000) of the total increases is needed to cover the increased costs as well as provide for additional quantities of materials, supplies, and services in support of the basic gallery operations. This amount consists of $275,000 for services and $192,000 for supplies and materials.

Offsetting the above increases are decreases in equipment of $68,000 and decreases in the West Building repair, renovation, and restoration program of $650,000.

In summary, the appropriation for fiscal year 1984 is $34,915,000—a net increase of $1,628,000 over the 1983 budget. Comprising the total increases are: personnel compensation and benefits—$1,198,000; rents, communications, and utilities—$231,000; special exhibitions—$450,000; materials, supplies, and services—$467,000; equipment decrease—($68,000); and renovation program decrease—($650,000).

## INTRODUCTION OF ASSOCIATES

Mr. BROWN. Thank you, Mr. Chairman. I would be happy to do so. On my right is the new Deputy Director of the National Gallery of Art, John Wilmerding, who assumed his duties a few scant weeks ago, on the retirement of his predecessor, Mr. Parkhurst. On my left, the Treasurer of the gallery, Robert Goetz; and on his left, William Roache, Budget Officer.

Senator MCCLURE. Thank you very much.

## SUMMER EVENING HOURS

For fiscal year 1983, Congress provided $300,000 to restore summer evening hours during the peak visitation time from Memorial Day to Labor Day. This budget seeks an additional $156,000 to return to the earlier schedule of evening hours beginning in April. As April and May account for approximately 20 percent of the evening hours visitation and only 1 percent of the total visits to the gallery, do you consider this request to be essential?

Mr. BROWN. I have to say I do not, Mr. Chairman. The submission to OMB did not include it at the current policy level, but they felt that it had been a traditional will of the Congress that the gallery be open that full span, and they restored this amount to our submission.

On a strict cost-effectiveness accounting, it perhaps is not, and one must take into consideration the difficulty of hiring these people during the college year. We have found in the past we have had a higher type to fill these positions if we could offer them an opportunity that began when the college year ended.

## BOOK PURCHASES

Senator MCCLURE. I thank you for that answer. For each of the last several years, the gallery has requested and received a $20,000 increase for book purchases. The total for this activity is now $120,000 compared to $60,000 in fiscal year 1981.

Is there an optimum level toward which you are aiming?

Mr. BROWN. We are trying, Mr. Chairman, to keep abreast of two things: One is the production of books which are highly necessary to our ongoing operations; and the other is to keep abreast of the sharp rise in the cost of those books. We are very hopeful with the leveling off of inflation in the general economy that the prices of books which have been so dependent on the price of paper and forest products, as well as energy, will also level off.

I should point out that in the case of books in our field we are highly dependent on books that are heavily illustrated. This is a visual field and much of the data that is required for it comes in visual form. This has meant that the unit price of a book in our field has gone very high, and I think these numbers reflect that trend.

Senator MCCLURE. But you don't have any particular level toward which you are reaching?

Mr. BROWN. No; we made a policy decision when we built the East Building that the library at the National Gallery should limit itself to being a highly focused library and not try to get into the business of being a library of record. We realize our neighbors here up on the Hill at the Library of Congress are faced with that nightmare, and we'd just as soon not take it on.

### EXTENSION SERVICE

Senator MCCLURE. The extension programs have enjoyed phenomenal growth during the past 3 years, largely through public and educational television programing. The gallery's television audience has grown from 5.5 million in 1980 to 22 million in 1981 to 44 million in 1982, while the number of presentations has increased tenfold between 1980 and 1982.

Have you been able to determine if the same people are simply taking advantage of the greater number of presentations or if the audience has indeed expanded so dramatically?

Mr. BROWN. We have very little in the way of hard data in this regard; however, in counting these viewers we do it very conservatively. In other words, when we get a report back from a television station that has taken a program of ours and shown it six times and estimates their audience per showing to be *x*, we count in this total only *x*, not six times *x*, on the assumption the same people might be tuning in over and over again. But we have no way of knowing. Many may be.

### WEST BUILDING COUCHES

Senator MCCLURE. According to some reports, the couches in the existing West Building galleries appear to have been installed when the building first opened in 1941. How old are these furnishings, and have you any plans for their replacement?

Mr. BROWN. The appearance and reality sometimes do go hand in hand, Mr. Chairman. The appearance takes two forms. One is the design of them, which to the trained eye in decorative arts would seem that they do date from the 1940's vintage furniture design, and from the condition of them, which in some cases seems to be that they have not been recovered since the 1940's.

On the last issue, I can assure you that we are assiduously trying to recover them in a systematic program. We get about 25 done a year, which is a big job, and we realize some of them are in less than perfect condition, and we are trying to get them refurbished.

On the design issue, this becomes a matter of taste, and also of practicality. These seats were designed to fulfill two kinds of functions: One was to provide the maximum comfort to the visitor so that he would not simply be sitting down on a low bench but would be able to settle back into a piece of furniture that would support his back and really try to attack frontally the question of museum fatigue, which has dogged our profession since the beginning.

Senator McClure. Was that a play on words when you said you are attacking them frontally? [Laughter.]

Mr. Brown. Touché. The other side is the back side, which is——

[Laughter.]

Mr. Brown [continuing]. Which is a question of people who want, really, just to lean against something, take a little load off their feet, so the backs of these are high for a reason. And we have been overwhelmed with favorable comments on these very articles of furniture. The comment cards we leave at the entrances come back to us in great numbers praising the gallery for this. Some of the early clippings when the gallery first opened pointed out that it was pioneering and was the first museum anybody ever ran into that had taken so much care to make the visitor comfortable.

I think we could perhaps at this point take a look at the design. It could probably be updated. That would, however, be quite expensive. These pieces of furniture have to take an enormous amount of wear and tear, with the numbers of visitors we have, and these would be high ticket items for what they do.

Senator McClure. I haven't counted them. How many are there? You say you are attempting to recover them at the rate of about 25 per year. How many years would that take?

Mr. Brown. We only have them in the West Building and on the main floor of the West Building there are about 120 galleries up there, or less. Probably about 105.

Senator McClure. About 240 benches. Would that be correct?

Mr. Brown. No; I think only one bench per gallery, some have none, and some of the big galleries have two, so it averages perhaps one. We have not put them in the East Building, where we have such a changing program. We do a different kind of bench because there we provide very comfortable seating out in the lounge areas and we feel the suites of galleries are not so long that people have to go and sit down and relax at frequent intervals.

## SPECIAL EXHIBITION RESTORATION

Senator McCLURE. You are seeking a $450,000 increase for special exhibitions to return the Federal funding to the fiscal year 1982 level. In reviewing the data for fiscal year 1982, the gallery had originally estimated that 15 special exhibitions would be offered at a total cost of $3,290,000. Congress reduced the fiscal year 1982 request by $165,000, leaving a proposed program level of $3,125,000.

The fiscal year 1984 submission shows that the gallery funded all or parts of 25 special exhibitions in fiscal year 1982 at a total cost of $2,286,879.

How was it that you were able to expand this schedule while spending $1 million less than originally anticipated?

Mr. BROWN. A lot of this, Mr. Chairman, has to do with the size of the exhibition. When our exhibitions, like the current Raphael or Manet exhibitions, for example, are based on our own holdings and supplemented by loans from other places, that greatly reduces the cost.

We happen to be lucky enough to own five Raphaels, which is an extraordinary feat, since there are only about a dozen in all of this hemisphere. These represent each of his great periods. They are in beautiful condition, and they are mainly on panel, which means they cannot be lent nor could similar objects be borrowed. If we had to do a Raphael show based only on other people's resources, the costs of transportation, special crating, and insurance for these objects would have been very high. So that in terms of that and other shows we have tried to be as economical as possible.

Senator McCLURE. I would note that all of the Federal funds were spent in fiscal year 1982 for the special exhibitions, that the $1 million savings accrued to gallery trust funds and private contributions. The total special exhibition budget for the current fiscal year is $2,755,000, of which $1,360,000 is from appropriated funds and the balance is from trust funds and other private support.

During the first 4 months of this fiscal year, $797,609 has been obligated, which represents 29 percent of the available funds. However, 50 percent of the total Federal funds have been obligated, while only 8 percent of the non-Federal funds have been obligated. What is the reason for this disparity?

Mr. BROWN. I would have to study the actual process of obligation. In general terms, I can report that this question of special exhibitions is a very thorny one, by virtue of the fact that often the private fund contributions which we have been able to solicit for these come in late or in installments, sometimes lagging a year or two behind the actual show, and, therefore, the funds that we have to turn to in the first instance to pay our bills and get the objects here are often the Federal budget.

Senator McCLURE. Well, would you perhaps review that and provide for the record an expanded answer, if you desire to do so?

Mr. BROWN. We will do our best. I think the essential answer is that the Federal funds are 1-year-only funds, whereas these other funds are staggered over a longer period of time.

[The information follows:]

There is no particular relationship in the percentage mix of Federal and non-Federal funds at any particular month-end during any given fiscal year. The first 4 months of fiscal year 1983 have been unusual because the principal efforts of both gallery staff and outside contractors were almost totally dedicated to the completion of the new public galleries in the renovated ground floor section of the West Building.

Considerable time, effort, and expense were also required to install works of art in both the East and West Buildings for the public openings held in the fall of 1982 and January 1983.

A comparative summary of the total Federal budget and actual obligations for the 5 months ended February 28, 1983 follows:

| | Total budget | | Obligations thru 2/28/83 | | Unobligated balance | |
|---|---|---|---|---|---|---|
| Federal funds | Amount | Percent | Amount | Percent | Amount | Percent |
| Travel | $51,000 | 100 | $24,000 | 47 | $27,000 | 53 |
| Transportation | 150,000 | 100 | 122,000 | 81 | 28,000 | 19 |
| Services | 849,000 | 100 | 451,000 | 53 | 398,000 | 47 |
| Supplies | 310,000 | 100 | 246,000 | 79 | 64,000 | 21 |
| Totals | 1,360,000 | 100 | 843,000 | 62 | 517,000 | 38 |

A review of the above summary reveals that, as expected, heavier than usual Federal obligations were incurred earlier in the year due to the heavy opening schedule of fall and early winter openings consistent with the opening of the new public galleries in the West Building.

The David Smith show, with many large, heavy objects, accounts for most of the transportation expenses. Similarly, the large expenditures for contract services and supplies reflects the substantial efforts expended in readying galleries for the new exhibitions. These substantial obligations in the early months will definitely average downward as the fiscal year progresses. Conversely, non-Federal fund expenditures will rise on average as the year progresses with the result that total obligations for the year will most probably be consistent with the patterns of prior years.

### REDUCTIONS IN SUPPORT OF SPECIAL EXHIBITS

Senator McCLURE. For the last several years, the House and Senate have taken turns recommending reductions in the gallery's request for support of special exhibitions. As some of the major shows may require funding over a period of 2 fiscal years, this can make planning difficult for you. Would it be helpful if we removed the fiscal year limitation from those funds designated for special exhibitions?

Mr. BROWN. Yes, sir.

Senator McCLURE. In that way, if unexpected private funds become available, the Federal money could be used in a subsequent year when such other support may not be available. Would that aid you in your planning?

Mr. BROWN. Tremendously. We have found the parable of the fat cattle and the lean cattle has been very applicable here, and that we were able to do quite well in the private sector back in the planning period when the economy seemed to be in a much healthier state.

I have to confess to you for the upcoming year the picture is extremely bleak. As a matter of fact, I hesitate to do this on the record, but I can say that in spite of having a full-time person working on this problem we do not have a commitment from a corporate source for a single exhibition in our future schedules starting now. And this is not a result of lack of trying. We have one show that we offered, a show we thought might even be criticized by the art critics for being the kind of thing that would appeal to corporations, and we went to 15 corporations before we finally found someone to fund it, and now that funding has just been withdrawn.

### ROMANIAN GOLD EXHIBITION

Senator McClure. Planning for the Romanian gold exhibition began in fiscal year 1981, when $18,000 was spent. It was budgeted for an additional $350,000 in fiscal year 1982 and $600,000 in the current year.

If cost is an indicator, it was to have been your major exhibition this year. It has, however, been canceled. According to this year's justification, none of the funds budgeted for Romanian gold in fiscal 1982 were spent on that project.

Information provided last week by the gallery indicated that the Romanian gold show was budgeted at $1 million for this year, though the justification shows only $600,000.

Is the gallery already treating special exhibition funds as if they were no-year money?

Mr. Brown. I think it probably looks that way in this case, Mr. Chairman. We really didn't know whether we would get a Federal indemnity on this, or what the costs would be. The amount of insurance valuation that our friends in Romania were placing on the national treasures were absolutely astronomical.

Someone such as yourself, conversant with minerals that come out of the ground might be interested in their formula. It was to take the value of the object to them historically and the value of the object as a work of art and the value of gold in the object and multiply these values together.

And so we had crowns that were $36 million and so forth, and our friends over in the indemnity part were a little bit distressed by this, not to mention ourselves, and we spent many long days in Bucharest trying to argue with our friends that the zeroes in the dollars were actually real money and meant something.

All of that now is moot, I hate to tell you, and the show unfortunately has been canceled, not by us but by them, which leaves us with a gap, which we hope to fill with a show of the national treasures of Mexico in a highly focused exhibition on the recent discoveries in the Aztec world and their supporting material.

My assistant has just returned 2 days ago from Mexico City, where he has had very productive talks with the director of museums. One of our trustees was there a few weeks ago and had an hour with President de la Madrid, and I think we will get very good cooperation from the Mexicans.

But as you know, from the state of the economy there, we will not be getting any financial support, and many of these objects are extraordinarily heavy and difficult to move, and we do not yet know how expensive the show will be because it will require more information on the loans. I expect that it will absorb much of the moneys that we had earmarked for the Romanian show.

Senator McCLURE. The estimated cost from information given to us is $750,000. Do I understand from your comment just now that that is not a firm cost estimate?

Mr. BROWN. That is as near as we can estimate it now.

Senator McCLURE. When will that show open?

Mr. BROWN. In September.

Senator McCLURE. Have you broken down the cost of this show between fiscal year 1983 and 1984?

Mr. BROWN. We haven't yet.

Senator McCLURE. Could you do that for the record, please?

Mr. BROWN. Be happy to.

[The information follows:]

The Aztec exhibition is scheduled to open to the public on September 25, 1983, which requires obligation of construction costs in fiscal year 1983, but division of transportation and insurance costs between fiscal years 1983 and 1984:

| | Fiscal year— | | |
|---|---|---|---|
| | 1983 | 1984 | Total |
| Travel | $20,000 | | $20,000 |
| Packing and transportation | 175,000 | $100,000 | 275,000 |
| Installation | 300,000 | 55,000 | 355,000 |
| Supplies | 115,000 | | 115,000 |
| Other | 75,000 | 21,000 | 96,000 |
| Total | 685,000 | 176,000 | 861,000 |

### ADDITIONAL STAFFING

Senator McCLURE. You recently opened an additional 75,000 square feet of space in the West Building. There is no mention in the justification of additional staffing or O&M requirements for this space.

How have you managed to absorb these costs?

Mr. BROWN. We really haven't. There is in the list of special exhibitions an item which has covered some of the cost of the installation of these objects. It is called sculpture and decorative arts, I think, on one of these here, on page 4-14 of our justification.

Then there is also an item for prints and drawings which appears on that same page.

But you raise a crucial issue, Mr. Chairman, because it is only now that we are able to assess the full implication of the spaces in terms of security, and our best estimate is that a staff increase to our protection staff of 10 full-time equivalents will be necessary to fulfill our obligations to these objects and to the public.

Part of this came to us somewhat unexpectedly for very cheerful reasons, which is that in the course of the year we heard of the plans of Mr. and Mrs. Paul Mellon to give the gallery a staggering gift, part of which was in the sculpture field, and required a redesign of the areas that we had formerly projected to increase the scope of the ground floor galleries, and an area that had been previously office configuration, and, therefore, put that onstream, which it has been. But every time you do that you increase, naturally, the guarding responsibilities.

### STAFFING TURNOVER

Senator McCLURE. The gallery continues to experience a turnover rate approaching 70 percent in new hires—primarily guard positions.

Can you estimate the costs of this turnover; for example, in the personnel paperwork and overtime expenses to cover all posts, training, and so forth?

Mr. BROWN. We could take a stab at quantifying that. Naturally, we would like to reduce that turnover figure by as much as possible. I think we have experienced—but I don't have the numbers in front of me—a decline in the turnover rate during the rise of the unemployment level, and people were glad to get guard jobs and keep them.

But one has to recognize that these people put in long hours on their feet. We try to rotate them quite often and make it as interesting as possible for them, and put them through training programs. But at the rate which they are paid they often find, having tried it for a while, the aura of working among all these beautiful objects begins to pale a little bit and they seek employment elsewhere.

Senator McCLURE. Could you provide for the record an estimate of those costs, if, indeed, you can make such an estimate?

Mr. BROWN. We will do our best.

[The information follows:]

By far, the greatest turnover is on the guard force. It is almost impossible to arrive at a meaningful cost. The hiring and training of guards is generally in blocks and pretty efficient compared to individual, highly skilled employees. Uniforms are reused. The cost of the turnover is probably more than offset by the fact that for the first 6 months guards are paid at the GS-3 level rather than the GS-4 level, presently representing a difference of over $1,000 per year per individual. By law, all full-time guards must be veterans, and returning veterans often take guard jobs as a stepping stone to other lines of work. Many others are terminated during their probationary year for unsatisfactory performance.

### CONTRACTING FOR GUARDS

Senator McCLURE. Is it possible for you to contract with GSA or with private firms for guards?

Mr. BROWN. I think theoretically it might be, but it is something we have always been very careful about in that our own guarding responsibilities are so very exacting. Guards, generally, in the world of security, are trained to protect warehouses and military facilities and even other museums which have specimens and objects that are behind glass and which are of a lower unit value.

Here our guard force is our only interface with the potential hazards of a demented vandal or other malefactors. These objects stand virtually unprotected any other way. A sudden movement or a quick attack could take them out of the heritage of Western civilization permanently, and, therefore, our training of these guards is something we take very seriously.

They are also our interface with the public in terms of helping them find their way and making them feel welcome guests, and to do this on a contract basis with outside guards who may be guarding an ammo dump next week we feel is not very appropriate.

### PERSONNEL PAYROLL SHORTFALLS

Senator McCLURE. Based on the information requested prior to this hearing, it appears that you are facing serious problems keeping within your budgeted allowances for personnel compensation. In fiscal year 1982 total personnel obligation exceeded the budgeted amount by about $360,000. The situation is apparently getting worse. Only 4 months into the current fiscal year, the gallery has already obligated one-third of your personnel budget.

That would be reasonable if your personnel expenses remained fairly constant. However, the first part of the year is the least expensive for the gallery. Once the tourist season begins and summer hours are instituted, personnel expenses will increase significantly.

How do you propose to meet your personnel expenses for the remainder of the year?

Mr. BROWN. Well, Mr. Chairman, we are quite aware of this situation and are following it very closely. I might say, first of all, that the normal profile of the year, in which the summer is the heavy activity time and the winter our calm months, is perhaps going to be reversed this year.

We have, as you know, just put on-stream the 75,000 square feet of new galleries which require a first-time installation of all of that material, some 2,000 objects, already double the number of objects we have on view today; in other words, tripling the number of works of art on view to the public in the gallery over the period for January.

In addition, we have held not only a full, but a very full temporary exhibition schedule. We have had exhibitions in the American field of Peto, Bellows, and David Smith and in the old masters field, Raphael, Claude, Caravaggio, Manet, and old master drawings, French landscape, and in the 20th century field, Braque, Stieglitz, and Smith in both categories.

These are all exhibitions that have tight turnaround schedules, and, therefore, incur much overtime, and also the contractual employment of additional services.

But in addition, I think that it is a structural question in that, as we have mentioned before in this forum, the personnel slots which have been fully authorized by the Congress in the past and which are normally on the books and still at our disposal, have simply not been funded, and year by year, with employment ceilings and funding restrictions we have had a more and more difficult time in keeping the standards of maintenance and service to the public that we feel are appropriate to this institution.

It is this basic question that we need to address in our appropriation considerations because we feel that there are a number of positions of high priority which are authorized slots that we have not been able to fill, which we would like to as soon as possible with a suitable degree of fiscal support.

Senator McClure. I have listened carefully to your answer, and I would note that the pay supplemental would be barely enough to carry you through at the lower obligation rate for the first 4 months. Nothing in your answer answered the question I asked about how you expect to get it done.

Am I to infer you don't know how to or you don't expect to?

Mr. Brown. Well, our hope is that out of the across-the-board categories of Federal spending we can be judicious enough, we can scrape and save and get the requisite funding to come through.

The pay supplemental to which you refer is the sum of $409,000, which out of the basic category of rents, communications, services, supplies, lands, and structures represents some 3.8 percent of this total, and we feel that by assiduously attacking this problem we can get through.

Senator McClure. Well, I wish you luck in that regard. I am sure you have noted, as you did earlier that with tightening economic circumstances that private giving has been more difficult to obtain and so has the public giving been more difficult to obtain.

Tax receipts are down, and that puts a great deal of pressure on the public sector financing as well, but we will do the best we can with you, and I know you will do the very best you can with what we give you.

## ADDITIONAL COMMITTEE QUESTIONS

There are some further questions to be submitted in writing for response in writing for the record.

I want to thank you and your colleagues for your testimony here today. You have made an excellent witness, have done a good job presenting your case to this committee.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Pay Supplemental

Question: In fiscal year 1982, the Gallery was able to absorb pay costs as a result of savings in utilities. First, may I say that we truly appreciate your past cooperation in this area; and secondly, I would ask that over the next few months, the utility charges again be reviewed to determine if some similar savings will be available this year as a result of the mild winter and decreased fuel prices.

Answer: The Gallery would be happy to review the utility costs during the next few months and advise your staff of any utility savings that may be used to offset part of the pay supplemental.

### Summer Evening Hours

Question: How did the total visitation during the shortened summer evening hours last year compare with prior years?

Answer: Naturally, the shortened summer evening hours reduced overall evening attendance from prior years. However, as can be noted from the attendance figures below, the years 1980 through 1982 compare favorably for the shortened summer period.

| Attendance | 1980 | 1981 | 1982 |
|---|---|---|---|
| Mid-June thru Labor Day | 316,784 | 285,765 | 298,106 |

### West Building Renovation

Question: Approximately one-fourth of the funds provided in fiscal year 1982 for renovation of the West Building were carried forward to the current fiscal year. Do you anticipate that a similar amount will be carried over from fiscal year 1983 to 1984?

Answer: Our current best estimate is that approximately $1,000,000 in unobligated funds will be carried forward to fiscal year 1984. These funds, along with the 1984 Appropriation request, will be obligated during 1984 in conjunction with the overall renovation plan. There will be no carry-over from 1984 to 1985, however. Some of the work originally planned for accomplishment in 1984 or 1985 will be postponed until 1986 to fit the current funding plan approved by OMB and the Congress.

Question: What is the cost to recover the couches in the West Building on an annual basis?

Answer: The average annual cost of refurbishing couches in the West Building is approximately $15,000. It will run higher than this in FY 1983 because we fell somewhat behind the desirable rate of refurbishing during the last two or three years.

Question: What would new furnishings cost?

Answer: The cost of replacement of 150 couches depends greatly on obtaining an aesthetically acceptable, durable, and comfortable substitute. Some museums use inexpensive benches, but one of the most praised features in the National Gallery has been the comfortable couches with high supporting backs. A standard, not specially designed, replacement might well cost $2,000 per unit, or $300,000 to replace all West Building main floor couches.

## Special Exhibitions

Question: For the record, please submit a revised special exhibition schedule for fiscal years 1983 and 1984.

Answer: Please see the following two pages for the fiscal year 1983 and 1984 revised schedules.

## NATIONAL GALLERY OF ART
## SPECIAL EXHIBITION SCHEDULE
## ESTIMATED OBLIGATIONS FOR FISCAL YEAR 1983

| Special Exhibition | Travel | Packing & Transportation | Installation | Supplies | Other* | Total |
|---|---|---|---|---|---|---|
| Mauritshuis | $ 15,000 | $ 16,000 | $ - | $ - | $ 68,000 | $ 99,000 |
| Bellows | - | 5,000 | - | - | - | 5,000 |
| Majolica | - | 3,000 | - | - | 1,000 | 4,000 |
| Claude Lorrain | 5,000 | 190,000 | 10,000 | 15,000 | 25,000 | 245,000 |
| Braque Collage | 1,000 | 15,000 | 20,000 | 12,000 | 15,000 | 63,000 |
| David Smith | 2,000 | 100,000 | 85,000 | 60,000 | 60,000 | 307,000 |
| Aztec | 20,000 | 175,000 | 300,000 | 115,000 | 75,000 | 685,000 |
| Vision 19th Cent. France | - | - | - | - | 16,000 | 16,000 |
| Stieglitz | 15,000 | 27,000 | 20,000 | 15,000 | 18,000 | 95,000 |
| Raphael | 5,000 | 35,000 | 85,000 | 35,000 | 70,000 | 230,000 |
| Night Prints | - | 1,000 | 10,000 | 10,000 | 3,000 | 24,000 |
| Morse/Louvre | - | 4,000 | 2,000 | 1,000 | 3,000 | 10,000 |
| Manet & Modern Paris | 5,000 | 50,000 | 40,000 | 25,000 | 50,000 | 170,000 |
| Arp/Dada | 5,000 | 30,000 | 20,000 | 10,000 | 30,000 | 95,000 |
| Bristish Country House | 35,000 | - | - | 5,000 | 80,000 | 120,000 |
| Oslo Exchange | - | 10,000 | 1,000 | - | 20,000 | 31,000 |
| Whitney Collection | 1,000 | 18,000 | 20,000 | 20,000 | 70,000 | 129,000 |
| Lucas Van Leyden | 2,000 | 18,000 | 10,000 | 10,000 | 15,000 | 55,000 |
| Caravaggio-Naples | 10,000 | 90,000 | 210,000 | 25,000 | 5,000 | 340,000 |
| Peto | 2,000 | 30,000 | 20,000 | 10,000 | 5,000 | 67,000 |
| Holy Roman Empire | - | - | 10,000 | 10,000 | 10,000 | 30,000 |
| Minor Unknown | 5,000 | 25,000 | 10,000 | 10,000 | 10,000 | 60,000 |
| Totals | $128,000 | $842,000 | $ 873,000 | $388,000 | $649,000 | $2,880,000 |

*Other--Includes expenses such as insurance, security, inspection and other fees.

## NATIONAL GALLERY OF ART
## FISCAL YEAR 1983
## SOURCE AND APPLICATION OF SPECIAL EXHIBITION FUNDS

| | Application of Funds (By Type of Expense) | | | | | |
|---|---|---|---|---|---|---|
| Source of Funds | Travel | Packing & Transportation | Installation | Supplies | Other | Total |
| Federal Funds | $ 51,000 | $150,000 | $ 849,000 | $310,000 | $ - | $1,360,000 |
| Gallery Trust Funds | 25,000 | 92,000 | - | 78,000 | 115,000 | 310,000 |
| Other Donated Funds | 52,000 | 600,000 | 24,000 | - | 534,000 | 1,210,000 |
| Totals | $128, 00 | $842,000 | $ 873,000 | $388,000 | $649,000 | $2,880,000 |

## NATIONAL GALLERY OF ART
## SPECIAL EXHIBITION SCHEDULE
## ESTIMATED OBLIGATIONS FOR FISCAL YEAR 1984

| Special Exhibition | Travel | Packing & Transportation | Installation | Supplies | Other* | Total |
|---|---|---|---|---|---|---|
| Whitney Collection.......... | $ - | $ 12,000 | $ - | $ - | $ 5,000 | $ 17,000 |
| Aztec...................... | - | 100,000 | 55,000 | - | 21,000 | 176,000 |
| ARP/Data................... | - | 15,000 | 5,000 | - | - | 20,000 |
| Gainsborough............... | - | 4,000 | 40,000 | 5,000 | 20,000 | 69,000 |
| Juan Gris.................. | 2,000 | 20,000 | 78,000 | 38,000 | 52,000 | 190,000 |
| Piazzetta.................. | 22,000 | 45,000 | 25,000 | 25,000 | 20,000 | 137,000 |
| Woodner Collection......... | 5,000 | 25,000 | 10,000 | 10,000 | 30,000 | 80,000 |
| Jacques de Gheyn........... | 4,000 | 25,000 | 30,000 | 30,000 | 46,000 | 135,000 |
| Correggio/Emilian Drawings.. | 15,000 | 60,000 | 30,000 | 10,000 | 50,000 | 165,000 |
| Orientalism................ | 10,000 | 100,000 | 100,000 | 40,000 | 50,000 | 300,000 |
| Folding Image.............. | 8,000 | 65,000 | 100,000 | 30,000 | 50,000 | 253,000 |
| Mark Tobey................. | 5,000 | 25,000 | 20,000 | 10,000 | 10,000 | 70,000 |
| Watteau.................... | 10,000 | 130,000 | 139,000 | 35,000 | 60,000 | 374,000 |
| British Country House....... | 40,000 | - | - | 30,000 | 60,000 | 130,000 |
| Rothko-Works on Paper....... | 8,000 | 18,000 | 31,000 | 15,000 | 40,000 | 112,000 |
| Americans in Venice......... | 7,000 | 30,000 | 40,000 | 20,000 | 50,000 | 147,000 |
| Degas Dancers.............. | 10,000 | 30,000 | 100,000 | 40,000 | 30,000 | 210,000 |
| Dulwick.................... | 2,000 | 25,000 | 30,000 | 12,000 | 25,000 | 94,000 |
| Woodland Indians............ | 5,000 | 20,000 | 85,000 | 45,000 | 30,000 | 185,000 |
| Oslo Exchange.............. | 10,000 | - | 1,000 | - | 20,000 | 31,000 |
| Gemini..................... | 10,000 | - | 35,000 | 25,000 | 10,000 | 80,000 |
| Max Ernst.................. | 5,000 | 35,000 | 135,000 | 35,000 | 20,000 | 230,000 |
| Totals.................... | $178,000 | $784,000 | $1,089,000 | $455,000 | $699,000 | $3,205,000 |

*Other--Includes expenses such as insurance, security, inspection and other fees.

## NATIONAL GALLERY OF ART
## FISCAL YEAR 1984
## SOURCE AND APPLICATION OF SPECIAL EXHIBITION FUNDS

| | Application of Funds (By Type of Expense) | | | | | |
|---|---|---|---|---|---|---|
| Source of Funds | Travel | Packing & Transportation | Installation | Supplies | Other* | Total |
| Federal Funds.............. | $ 66,000 | $200,000 | $1,089,000 | $455,000 | $ - | $1,810,000 |
| Non-Federal Funds........... | 112,000 | 584,000 | - | - | 699,000 | 1,395,000 |
| Totals.................... | $178,000 | $784,000 | $1,089,000 | $455,000 | $699,000 | $3,205,000 |

## Positions and Pay

Question: Fifteen additional positions are budgeted under Care and Utilization of Art. The justification, however, does not indicate the distribution of these positions nor does it provide a statement of need. Please submit this material for the record.

Answer: Due to the limitation on hiring of 82 positions in FY 1983, as shown on page 8-3 of our submission, the additional FTE will enable the Gallery to fill some of the vacant positions in a more orderly and timely fashion.

The increased FTE will be allocated, in order of priority, as follows:

| Positions | Grade | Annual Salaries & Benefits |
|---|---|---|
| 10 Guards | GS-3 | $118,000 |
| Administrator, National Lending Service | GS-13 | 38,500 |
| Librarian, Technical Services | GS-12 | 32,500 |
| Library Technician | GS-7 | 18,000 |
| Chief, Conservation Science | GS-14 | 45,500 |
| Conservator, Painting | GS-12 | 32,500 |
| Conservator, Sculpture | GS-9 | 22,500 |
| Curator of English Painting | GS-12 | 32,500 |
| TOTAL | | $340,000 |

Additional FTE's are being requested to augment our security staff now that 75,000 square feet of new or remodeled ground floor public spaces have been opened in the West Building. This request is being made now because a recent review indicated that our original request for additional guards was conservative and is not sufficient to meet current operational requirements. The principal reason that our original request was too low is that the actual physical layout of the new spaces was not available at the time the request was made.

In the National Lending Service the administrator performs a major public service in fulfilling our national objective to help smaller museums round out their collections with objects on loan from the National Gallery, objects they otherwise could not obtain.

In the Library the Head of Technical Services is responsible for the development and administration of the Library's acquisitions, cataloguing, gifts and exchange, vertical files and bindery functions, paralleling the Head of Reader Services. The Library Technician is the cataloguer for Vertical Files responsible for a collection of approximately 70,000 (growing annually by 3,500) small exhibition catalogues and other carefully selected scholarly publications too fragile for the open shelves to be integrated into an existing file of approximately 8,000 objects.

In Conservation the Paintings Conservator is necessary to accommodate the increased demands of the National Lending Service and the publication of the systematic catalogue, as well as general curatorial research and the Center for Advanced Study in the Visual Arts. The Chief of Conservation Science heads up the Analytical

Laboratory which fulfills the scientific analysis through microscopy and radiography preparatory to each conservation treatment. The National Gallery scientist has been consulted by museums throughout the area for expert advice, and in fulfilling this function is unable to meet the already overwhelming demands of our own departments. The Sculpture Conservator is required because, with the opening of the West Building exhibition space enabling the Gallery to display its formidable collection of medals and bronzes, the sculpture conservation staff is unable to continue with a timely and careful program of care for the entire collection of three-dimensional objects.

For the Curatorial staff, a Curator of English Paintings is needed. In the process of returning FTE hours to the Administrator borrowed in order to prepare for the expansion of exhibition space, the curatorial gap is most noticeable in the department of English paintings, a collection of considerable size and importance, heightened by the recent gifts of Paul Mellon and John Hay Whitney.

## SUBCOMMITTEE RECESS

Senator McClure. The subcommittee will stand in recess until 8:30 a.m. on Wednesday, March 2, at which time we will receive testimony from nondepartmental witnesses.

Thank you very much.

[Whereupon, at 3:40 p.m., Tuesday, March 1, the subcommittee was recessed, to reconvene at 8:30 a.m., Wednesday, March 2.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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WEDNESDAY, MARCH 2, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 9:16 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Quentin N. Burdick presiding.

Present: Senators McClure, Andrews, and Burdick.

## NONDEPARTMENTAL WITNESSES

Senator BURDICK. Good morning. This is the time scheduled to hear testimony from outside witnesses on the programs under the jurisdiction of this subcommittee with the exception of testimony concerning Indian programs which was heard February 22 and 25. The subcommittee has scheduled 39 witnesses today. Fifteen will testify between now and 10:15 and the remaining 24 will testify this afternoon from 2 to 4. Unfortunately, the subcommittee is only able to schedule 5 minutes per witness and would ask each witness to respect that limit so that other witnesses will be able to testify as scheduled.

Any other person or organization may submit written testimony prior to April 1 for inclusion in the written record by contacting subcommittee staff for instructions.

Our first witness this morning is Mr. Wes Hayden, representing the International Association of Fish and Wildlife Agencies. Mr. Hayden.

### STATEMENT OF WES HAYDEN, LEGISLATIVE COUNSEL, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

#### PREPARED STATEMENT

Mr. HAYDEN. Thank you, Senator Burdick.

Senator BURDICK. Mr. Hayden, your statement will be made a part of the record. You will be invited to summarize or highlight that statement as you wish.

Mr. HAYDEN. Very well, sir. Thank you very much, Mr. Chairman.

[The statement follows:]

## STATEMENT OF WES HAYDEN

Mr. Chairman, speaking for the International Association of Fish Wildlife Agencies, I appreciate the chance to have a part in your subcommittee's examination of the Fish and Wildlife Service budget for Fiscal 1984.

As an organization committed to balanced resource conservation and management, we have a manifest interest in the programs being operated under this agency's jurisdiction and direction, particularly those with a high potential for effective federal-state coordination and cooperation and with special significance for our member agencies in all of the 50 states.

We seriously question whether those objectives can be properly served if the spending proposals now before you are approved in their present form. It is in that context that we are presenting for your consideration recommendations for the IAFWA developed by an Ad hoc Federal Budget Committee, for changes in those budget provisions and priorities which we regard as necessary to address our essential needs and major interests.

Our statement will also reflect the collective views of the Atlantic States, Gulf States and Pacific Marine Fisheries Commissions and their 24 coastal state members as confirmed by participation of the Executive Directors of all three commissions in the Ad hoc Committee's discussions and conclusions developed in a meeting here last month.

As a preface to detailing of the Committee's specific recommendations, a few general comments about the apparent thrust and direction of the budget proposals may be in order to put our views in clear perspective.

Examination of the spending priorities leads to the inescapable conclusion that the Administration is dedicated to significantly diminishing the ability of the Fish and Wildlife Service to carry out its primary mission and functions in the form and manner intended by Congress and, indeed, to altering the purpose and objective of that mission. It appears to have abandoned the notion that the power of the federal government should be brought to bear on those broad aspects of national fish and wildlife conservation efforts which can be achieved effectively only at the federal agency level. It seems ready to reduce the concept of federal-state partnership to give states a choice between assuming responsibility for programs which have previously been joint efforts or watching them wither and die.

Nowhere is that more evident than in the case of three partnership initiatives high on the Association's priority list which are once again threatened with extinction under the budget now before your subcommittee.

It is to those programs that I will address my remarks now.

First on that list is the state grants program authorized under Section 6 of the Endangered Species Act. It is this Association's contention that the provision for shared funding of the joint effort to protect endangered and threatened wildlife has contributed much to the success of that undertaking and that it represents a federal commitment and continuing obligation which should not be abrogated. The record is very clear: The Congress intended this as a federal-state partnership. It is important to note that 39 states still maintain cooperative agreements designed to keep the program alive in the face of moves to eliminate the federal support, and that takes on added significance from the fact that the Act has just been reauthorized for an additional three years, during which a viable partnership will be necessary for it to operate effectively. We therefore urge that at least $4 million of the annual authorization of $6 million be restored for Fiscal 1984.

In that same context we think it is important that there be an adequate law enforcement capability in the ESA program--a need which this organization stressed by formal resolution in its 1981 annual meeting. We therefore recommend restoration of the nearly $1 million stripped from the upcoming budget for that purpose.

Another state program which we regard as highly essential is that authorized as a cooperative effort for conservation, development and enhancement of anadromous fish species. It has in prior years produced demonstrable benefits well in excess of costs in the management of striped bass, shad, salmon and related species inhabiting interstate waters. Because of the regional nature of the program, federal sharing in the cost is entirely appropriate. Withdrawal of that assistance as is now proposed would, in our view, be both a denial of a partnership obligation and a short-sighted policy in light of the accured benefits. We therefore recommend restoration of $3.5 million to the Fish and Wildlife budget to continue the program as a joint federal-state operation.

We are also concerned that the budget once more would deny funds for Cooperative Fish and Wildlife Research Units despite the clear expression of Congressional support for the program manifested by restoration of funds which the Administration had sought to deny for its continued operation in this fiscal year. We applaud that restoration and very much hope that it will be repeated in the current instance because the units are, in our judgement, providing a combination of valuable services to the resource conservation community which would not be otherwise duplicated. The record will show that this program has produced the bulk of the top fish and wildlife managers and scientists both in and out of government, that it has provided a direct link between government and academia in that field of activity, and that it has generated a broad range of research data essential to knowledge and practical application of conservation policies and principles. Granted, the system may need some changes to improve its efficiency and effectiveness. Streamlining of its operations through combining of some units and reducing their total number may well be in order. It is our view that Fish and Wildlife should find ways to make the program work better rather than to propose discarding it along with the other partnership ventures which have been mistakenly targeted for termination. Meanwhile, we recommend restoration of the $4.4 million total needed to keep it operating in Fiscal 1984.

Another objective to which our Association attaches high priority is the preservation and revitalization of the nation's wetlands resources which are so vital to maintenance of adequate fish and wildlife habitat.

We are consequently disturbed that so little provision is made to meet that need in the budget before you. The only gesture it makes in that direction is to allot another $9 million to the Migratory Bird Conservation Account, and that based on the assumption of additional income from doubling the duck stamp price to $15--an increase which can be expected to meet some strong resistance and which would in any event require new and separate legislation.

No money would be allotted to the Fish and Wildlife Service from the Land and Water Conservation Fund for additional land acquisition which we regard as essential for replacement of resources lost to business, industrial and agricultural development.

Considering the uncertain prospects for alternative approaches we therefore recommend an appropriation of $27.2 million--the same figure approved by Congress for this year--from the L&WC Fund, and we also suggest that there be a $10 million advance from the Wetlands Loan Fund to further expedite acquiring property suitable for those program proposes while it is still available.

Another budget provision causing us concern is that relating to proposed closure or transfer of another 29 federal fish hatcheries in addition to the 16 already targeted for termination before the end of the current year.

It will not be our intention to challenge the entire list or, as an Association, to substitute our judgement for that of the individual states most directly affected as it relates to the value of the facilities involved.

Our interest will, instead, be in taking whatever steps are necessary to insure that in seeking to divest itself of such facilities the Service does not lay on the states responsibility for operating, or losing, hatcheries established primarily to address federal purposes and objectives.

It will be the Association contention that these categories should include hatcheries designed to mitigate impact of federal programs, those set up for experimental purposes, and those which are integral parts of anadromous fish restoration projects.

We strongly suggest that the closure roster be closely scrutinized with those criteria in mind in arriving at a decision on whether, or which, facilities may qualify for retention.

There is, however, another aspect to the hatchery closure initiative which we find unsettling. It appears to be part of a general trend toward de-emphasis of the significance of all fishery programs on the Service priority list. What makes the situation even worse, the same thing seems to be happening in other federal agencies in their handling of those resources.

Coupled with reduced support for resource-related research and a continuing shift of funding priorities from environmental safeguards to developmental objectives, it appears to raise some questions about the future outlook for fish and wildlife resources management which require close examination in a search for answers.

This Association stands ready to work with you and your subcommittee now and in the future, Mr. Chairman, toward that objective and we appreciate the opportunity of sharing our views with you on the matter now.

Senator McClure. I'm sorry but your time has expired. I have your entire statement.

Mr. Hayden. Very good, sir.

Senator McClure. I would ask one question. Are you opposed to the increase in the duck stamp fee?

Mr. Hayden. Mr. Chairman, we have not taken a specific position on that yet. I do think that doubling of the duck stamp fee is going to cause a considerable amount of problem. Some increase might be acceptable, I believe, but up to $15 is going to be difficult to do.

Senator McClure. Thank you very much.

Mr. Hayden. Thank you, sir.

Senator McClure. The next witness will be Michael Ainslie, the National Trust for Historic Preservation.

## STATEMENT OF AUBRA H. ANTHONY, DEPUTY GENERAL COUNSEL FOR PUBLIC POLICY OF THE NATIONAL TRUST FOR HISTORIC PRESERVATION

Mr. Anthony. Good morning, Mr. Chairman. I am Aubra Anthony with the national trust. Michael Ainslie sends his regrets but scheduling would not permit him to be here. He is enroute to Australia and the convocation of the national trust of the world.

Historic preservation is flourishing across the country and yet the administration's zero funding request for historic preservation ignores the reality of that growing public involvement demonstrably through the tax incentives for rehabilitation that has greatly increased the demand for assistance on the Department of the Interior and the State preservation program.

Frankly, private preservation and local government preservation efforts are dependent upon these services.

From the broader perspective, the administration's proposal ignores the proven potential of the preservation program to address the now burning issues of unemployment and infrastructure decay. Rehabilitation has been shown to produce jobs and economic revitalization in the areas most in need. This is an opportunity, Mr. Chairman, and we provided your staff with information on the job creating potential for historic preservation.

Consequently, we believe that at least $30 million should be appropriated from the historic preservation fund to allow the States on a matching grant basis to continue their support activities to the national program and at least $15 million for development grants for historic properties and expedite the surveys for the 70 percent of the country that really has not been looked at.

Turning to the national trust, of course our work is getting more individuals and more organizations involved in investing in private sector preservation and I'd like to make two points this morning in support of a $4.5 million level funding matching grant for the national trust in 1984. That's the planning for the future that we are conducting now and the scope and impact of our activities. We are taking a close look at ourselves to determine how we can most effectively carry out our congressional mandate in an environment that's changed substantially in the last few years. We've got to manage our limited resources and we've got to expand our financial base and we are actively searching for realistic solutions to that challenge in an open planning process for a 5-year program and financial plan for the national trust.

During the last year our outreach program really stretched to meet the demands placed upon the trust in the national focus for private preservation and I'd like to give you a couple of examples.

We've granted $2 million through our grant and loan programs to some 143 projects in 41 States. That leveraged an additional $22 million. There were over 32,000 requests for assistance to our six regional offices and our program offices in Washington. Our testimony details the leveraging of our inner-city venture fund and the national main street center which is showing that new jobs and a positive outlook toward investment can be created on Main Street and we've attached a chart that details that leveraging from those programs.

We also diverted $250,000 of our Federal matching grant to support State and local organizations to expedite their development and diversify their financial support.

Senator McClure. Thank you very much.

Mr. Anthony. I just wanted in closing, Mr. Chairman, to show you one thing before I left and this was the scope of the trust outreach program which is hard to see unless you see where trust activities touched the country. And reaching back to an old country metaphor from my roots, I feel it's sort of like a farmer who spreads the scarce manure all over the field so that everything will flourish, and that's what we've been doing with our scarce resources.

I'd be glad to answer any questions you might have.

[The statement follows:]

## STATEMENT OF AUBRA H. ANTHONY

REQUESTING HISTORIC PRESERVATION FUND APPROPRIATION OF NOT LESS THAN $30 MILLION, INCLUDING $4.5 MILLION FOR THE NATIONAL TRUST FOR HISTORIC PRESERVATION, AND $15 MILLION TO EXPEDITE SURVEYS AND REINSTATE PRESERVATION DEVELOPMENT GRANTS. ALSO REQUESTING $1.6 MILLION FOR THE ADVISORY COUNCIL ON HISTORIC PRESERVATION, AND $500,000 FOR THE NATIONAL BUILDING MUSEUM.

Mr. Chairman and Members of the Committee, I am here today on behalf of the National Trust for Historic Preservation and the private preservation movement to ask you to maintain our federal budget commitment to the national preservation program.

We are disappointed and frustrated to find that, once again, the Administration is attempting to dismantle the national program by underfunding or zero funding its critical components. This contradicts Congress' consistent support for the effective federal-state-private partnership. It ignores the reality of growing public involvement, demonstrably through the tax incentives, that has greatly increased the demands for assistance. At the same time, Department of the Interior capacity has diminished. The National Trust study of federal tax laws and historic resources, just now being completed for the Advisory Council on Historic Preservation, has convinced us that this great preservation incentive, and the increasing number of projects that it is stimulating, is on the verge of being undermined by Administrative problems at the state and national levels.

From the broader perspective, the Administration's proposal ignores the proven potential of the preservation matching grant program to address the now burning national issues of unemployment and infrastructure decay. Historic buildings and districts are comparatively rare, but they make up a critical part of our urban and rural infrastructure. Their rehabilitation and refurbishment has been shown to produce jobs and economic revitalization in the areas most in need. The delivery mechanism is in place; the need is real, and the public benefits transcend the physical preservation stimulated. Let's put these national treasures back into shape, employing and training new craftsmen and contributing to their community's well being.

### The National Trust's Challenge

The National Trust, of course, focuses its work on getting more individuals and organizations involved and investing in private sector preservation. This ranges from rehabilitating old warehouses into productive commercial spaces, to restoring old homes, to local nonprofit groups trying to enhance the quality of their neighborhoods. We work through financial, technical, advisory and educational programs, property stewardship, publications and demonstration projects.

We are taking a close look at ourselves to determine how we can most effectively carry out our Congressional mandate in an environment that has changed substantially in the last few years. The tremendous growth of the private preservation movement has resulted in an increased number of individuals and organizations and a greater diversity of interest groups (ranging from neighborhood to maritime to real estate development interests) seeking the leadership and unique services of the National Trust. Our challenge, therefore, is to manage our limited resources to respond to the increased and broadened demand for our services, the need for national demonstration projects to address major problems, and the need to expand our financial base in an atmosphere of increased competition for private dollars and less certainty about federal support.

We are actively searching for realistic solutions to that challenge. We have undertaken the development of a five-year program and financial plan to define and carryout organizational priorities. Already, one can see a redirection of the National Trust to greater direct involvement with local groups.

During the last fiscal year, the Trust's outreach programs were stretched to meet the demands placed upon the Trust as the national focus of private preservation activities. Let me give you some examples:

- * Awards totalling over $2 million were made through the Trust's 7 grant and loan programs to 143 projects in 41 states plus the District of Columbia and the Virgin Islands (see attached chart). These programs successfully catalyzed an investment of an additional $22 million.

- * Advisory and technical services are in demand more than ever. Over 32,000 requests for assistance were handled by our six regional offices and our Washington program offices in the past year.

- * A series of 13 conferences on the preservation tax incentives provided for in the Economic Recovery Tax Act of 1981 was cosponsored with the National Park Service and the National Conference of State Historic Preservation Officers.

A high priority for the National Trust is the continuation and expansion of experimental programs and demonstration projects that best utilize our resources to address national preservation issues. Here are updates on two major efforts that we discussed last year:

- * The Inner-City Ventures Fund, established in 1981 to help community organizations combat displacement by revitalizing their own historic, low and moderate-income neighborhoods has, to date, made grants and low-interest loans totalling $1.175 million to 19 organizations in 11 states and the Virgin Islands. That money has spawned $22.5 million in rehabilitation projects.

- * The National Main Street Center combines history with present-day needs by encouraging imaginative uses of various resources to support local revitalization of small-town business districts. Within a 2-year period, 30 towns in 6 states have developed over $22 million in rehabilitation projects, $32 million in new construction and started over 343 new businesses. These statistics translate into new jobs and a positive outlook toward investment on "main street."

Our planning process has also led us to take a number of innovative steps in the past year.

Because the Trust firmly believes that strong state and local groups are critical to the growth of preservation, we committed $250,000 to make Challenge Grants to Statewide Preservation Organizations. Matching funds were given to 23 groups to expedite their development and to diversify their sources of financial support by expanding membership programs, establishing endowments and hiring professional staff and fundraising consultants. In effect, we pulled back on some National Trust activities and passed through part of our federal challenge grant to help others leverage their resources.

## Property Stewardship

In the past 12 months the National Trust has made a special effort to strengthen its historic properties program. Particular attention has been devoted to increasing property income while holding operating costs down, strengthening private giving to the properties and implementing the development plans completed in 1980 and 1981 for the Trust's seven directly-operated house museums.

Two years ago, we would have had to report to you that, exclusive of federal grants, the historic properties operation had a deficit of $1.25 million. Last year, we cut that deficit by 25%. Our budget for 1983 contemplates reducing the total deficit to $816,000, an additional reduction from 1982 of approximately $170,000. These 1983 reductions, which will take place without loss of program continuity and quality, are substantially dependent upon expanded private funding and inceased program income. It also assumes continued support through the matching grant from the Department of the Interior as subvention to operating deficits as well as to carry out more than $300,000 in capital improvements to the properties.

Clearly, it is the intent of the Trust, as a responsible property steward, to increase the long-term financial security of its properties. As we project to 1984, we do not expect a substantial reduction in our property operating costs. But we do expect to add critical staff in both management and maintenance positions, to increase efforts to attract additional visitors and to expand our educational programs, all without adding to the current deficit.

We are also planning to expand our abilities to provide technical assistance to the nation's 4,000 historic house museums. Beginning in 1984, we will expand our research and experimental efforts to resolve national issues facing historic properties and to publish and disseminate the findings. We also will increase our programs of conferences, seminars and short courses to provide training in preservation and restoration technology to craftsmen, contractors, architects and historic property owners. We believe this will have substantial long-term benefits, increasing the standards and quality of private preservation work in the United States.

Lyndhurst, our National Historic Landmark property in Tarrytown, New York, exemplifies the changing conditions of the Trust properties.

## Business Partnerships

While increasing the number and diversity of contributors to the Trust, we have also sought new methods to broaden the ways in which private supporters can be more directly involved with us. This includes donations for specific projects and programs and donations of services and products.

For example, Standard Oil of Ohio (Sohio) gave $500,000 to the Trust's Inner-City Ventures Fund specifically to assist inner-city revitalization projects in Ohio. This past month another major oil company, the Atlantic Richfield Company (ARCO), joins in supporting the ICVF. It's $300,000 contribution is to be used to fund inner-city rehabilitation projects in the company's seven regional and headquarters cities - Houston, Denver, Louisville, Philadelphia, Chicago, Dallas and Los Angeles.

On another front, Yankee Publishing, Inc. has created the Yankee Intern Program in partnership with the Trust. From our Northeast Regional Office in Boston some 50 interns will be placed in preservation projects this summer in the six New England states.

The Rust-Oleum Corporation donated 45,000 gallons of rust-inhibitive paint (with a market value of $1.4 million) for free distribution to nonprofit member organizations of the Trust. It has also supported our preservation awards.

These examples vividly demonstrate areas where the Trust can play a unique role in furthering preservation objectives, as well as being demonstrative of the various solutions we are seeking to our challenge.

Upon approval by the Board of Trustees of the five-year program and financial plan, we will immediately undertake the first steps in a major fund raising campaign. The goal of the campaign will be to build an endowment to help support areas that are more difficult to raise funds for. We have already been preparing for the campaign by strengthening our staff and improving our research capability. We made enormous progress in 1982 by increasing private gifts and commitments by 21% over 1981.

## Loss of Federal Support

Despite this encouraging news, the loss of the federal matching grant in FY 1984, as requested by the Administration, would have widespread, catastrophic consequences for the Trust. Currently, we receive $4.5 million, or 33%, of our total budget from the Historic Preservation Fund (see attached chart). Without this federal assistance, drastic cutbacks would be inescapable. We would be forced to consider some very unpleasant alternatives:

- closure of half our regional offices;
- reduction of public access to our properties and a restriction of maintenance work to a bare minimum;

- elimination of our publicly-supported financial assistance programs;
- severe curtailment of our technical and advisory assistance programs;
- loss of coverage and exposure of preservation issues due to reduced frequency and quality of our magazine and newspaper;
- elimination of our legal outreach program (e.g. provision of tax incentives and easement information);
- impairment of our private fund raising program due to competing priorities for the fewer dollars available; and,
- radical reduction of personnel, resulting in the loss of the expertise which is the Trust's prime asset and the catalytic "tool of its trade."

Clearly, such measures would leave the Trust crippled and unable to do the job expected of it by the public and Congress. It would, of necessity, become a different, dramatically less effective organization. We believe the Congress and the public would join the National Trust in finding this idea appalling.

We, therefore, respectfully urge the Committee to appropriate for FY 1984 not less than $30 million for the state preservation programs plus $4.5 million for the National Trust from the Historic Preservation Fund. We also request that at least an additional $15 million be appropriated to expedite surveys and to reinstate preservation development grants.

We further urge you to appropriate adequate funding for the Office of National Register Programs in the National Park Service and $1.6 million for the Advisory Council on Historic Preservation so that we can continue the partnership that has worked so well to preserve our cultural heritage. The National Building Museum, which is off to an impressive start, has for the first time requested matching grant assistance, in the amount of $500,000, and we urge the Committee to look favorably upon this important work.

## NATIONAL TRUST FOR HISTORIC PRESERVATION
## FINANCIAL ASSISTANCE PROGRAMS
## FISCAL YEAR 1982

### Investment in Preservation: A Successful Track Record

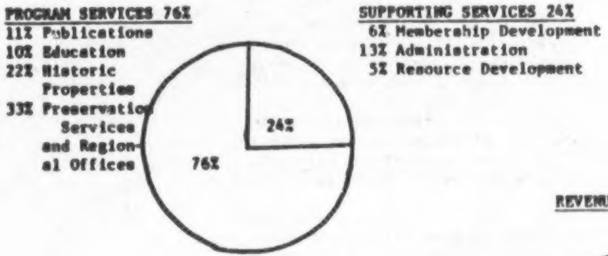
The National Trust's seven grant and loan programs in FY 82 provided direct assistance to numerous local organizations and communities. In a manner which leverages public and private resources, each program demonstrates the contribution of the preservation of historic resources to the solution of important economic and social issues.

| Program | Financial Assistance | Investment Generated | Leverage | Projects | States |
|---|---|---|---|---|---|
| Preservation Services Fund (50% HPF)<br>Develops preservation skills in local organizations and communities. | $ 135,000 | $ 704,092 | 5:1 | 77 | 33 plus D.C. |
| Annual Maritime Grants (50% HPF)<br>Preserves significant maritime resources. | 62,100 | 124,200 | 2:1 | 15 | 10 |
| Endangered Properties Fund (50% HPF)*<br>Saves threatened national landmarks through grants, loans and acquisitions. | 454,000 | 362,776 | N/A | 6 | 5 |
| Inner-City Ventures Fund ($355,000 HPF)<br>Initiates revitalization efforts in historic district neighborhoods primarily low-income. | 885,000 | 18,441,024 | 20:1 | 15 | 10 plus V. I. |
| National Preservation Revolving Fund<br>(Private) Low-interest loans for renovation and restoration of community historic resources. | 225,000 | 1,458,400 | 6:1 | 4 | 3 |
| Critical Issues Fund (Private)<br>Promotes new methods in resolving major issues of preservation and urban development. | 70,000 | 76,500 | 1:1 | 3 | 3 |
| 1982 Challenge Grant Program (Trust)<br>for private non-profit statewide organizations. | 250,000 | 884,755 | 3:1 | 23 | 23 |
| TOTAL | $2,081,100 | $22,051,747 | 10:1 | 143 | 41 plus DC & VI |

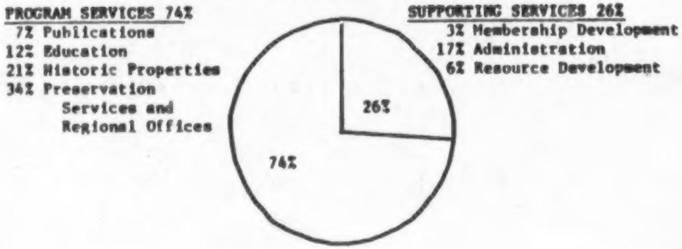
* HPF - Historic Preservation Fund
Privately funded after FY 82.

## NATIONAL TRUST FOR HISTORIC PRESERVATION
## FY 83 BUDGET

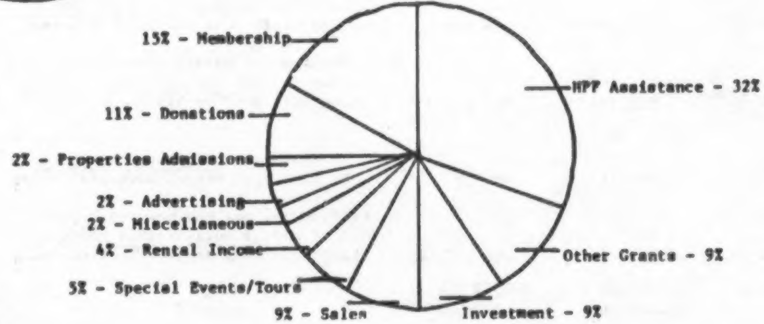
### ALLOCATION OF EXPENDITURES



### ALLOCATION OF FULL-TIME STAFF



### REVENUE SOURCES



- Three-fourths of both the National Trust's total expenditure budget of $13.6 million and number of full-time staff are allocated directly to Program Services.

- 32% of the Trust's total revenue budget of $14.1 million is dependent upon the Historic Preservation Fund FY 83 matching grant of $4.5 million.

## STATEMENT OF ROBERT WARE STRAUS, EXECUTIVE VICE PRESIDENT, ACCOKEEK FOUNDATION, INC.

Senator McClure. Thank you very much.

The Accokeek Foundation, Mr. Roy Thurman.

Mr. Straus. Mr. Chairman, I'm Robert Ware Straus. I have to open with sending you the respects of your former colleague in the other House, Joe Skubits, who wanted that expressed to you and your wife.

Since we're only asking for a very small amount, I'll make my testimony extremely short.

The Accokeek Foundation originally gave the lands and interest in lands and the leadership and 10 million dollars' worth of lands and interest in lands for creation of Piscataway Park.

In 1978, the Congress authorized $2 million for development of the park of which $200,000 has been expended. I am here today, as we have been before, to ask for funds to provide for the health and safety of our employees as required by the Park Service, replacement of the stable which is falling down at the National Colonial Farm. We have to move a house which is in the farm there and the last part of this is erosion control which is threatening the whole shoreline of the park. It's reducing the Federal area there. The total amount that we can do the job for if the Park Service were to allow us the contract is $290,000. Their estimate is in the area of $422,000. We're not criticizing the Park Service. They're under constraints that we're not under. Of course, all the buildings will belong to them.

There's only one other item. We are concerned about Park Service planning to transfer the marina which is at one end of the park which was purchased with Federal money to the State of Maryland. We're concerned about the terms under which that transfer will be made and if it is made to make sure that the purpose of the legislation and the appropriation of money under which that was purchased is carried out.

Senator McClure. Thank you very much. I appreciate your testimony and I follow with a great deal of interest the development of Piscataway Park.

Mr. Straus. I asked Dr. Percy of the National Colonial Farm to be here to answer any questions.

Senator McClure. Thank you, gentlemen. I appreciate your testimony.

[The statement follows:]

### Statement of Robert Ware Straus

We respectfully request the committee consider favorably, the appropriation of $412,000 to the National Park Service based on its estimates for previously authorized capital improvements for Piscataway Park, Md.

The Accokeek Foundation's program of preserving "an area of great natural resources" has been supported for many years by the Congress, the major national environmental groups, by State and local governments and by generous citizens and regional organizations.

This committee has been very thoughtful in considering our previous requests.

A quarter century ago, when the foundation's efforts were threatened by condemnation from a local sewage agency, the Congress came to our rescue with Public Law 87–362.

Since then, the Congress has five times enacted amendments to the authorization legislation.

The Accokeek Foundation has taken the lead with other organizations and local citizens in contributing lands and interests in land to the National Park Service which would have, had they been kept in private hands, a value probably exceeding $15 million.

In 1978, the Congress authorized $2 million for the development of Piscataway Park. This was to match the $2.6 million which the Accokeek Foundation had expended up to that time from private funds to develop the concept of the Park and to create the National Colonial Farm. The foundation continues its longstanding cooperative use agreement with the National Park Service to operate the Colonial Farm and to conduct basic research on the crops and culture of the Revolutionary period as a service to the public. This latter work is entirely financed with private funds.

I will not take the committee's time with a recitation of the entire history of the project. The committee files contain previous testimony which covers this matter in detail.

Public Law 95–625, passed in 1978, authorized the development ceiling of $2 million. In connection therewith, a 5-year program for work at the National Colonial Farm was made part of the record. Of this amount, only $200,000 has been expended since that time.

The master plan called for the construction of a new administration building. In view of present construction costs, we prepared plans which provide for the elimination of health and safety hazards delineated by the Park Service in the present building. The cost of the work was estimated by the Accokeek Foundation at "from $65,000 to $97,000" depending upon the year of construction.

Since that time, another matter has come up which deserves immediate attention. The stable which is part of our interpretation tour for the thousands of visitors is suffering from old age. The main beams have cracked and the supports have given way. The local Amish farmers have offered to remove the present building and construct a replacement for a cost of $40,000. Unfortunately, they stated they will do this for the Accokeek Foundation, but will not enter into a contract with the Government. When asked to prepare a proposal for construction under Federal Government rules, contractors estimated the cost at two to three times as much.

You will find that the original authorization included the amount of $100,000 for erosion control as an estimated cost of a study by the Park Service of the erosion along the riverbank. Erosion is now assuming very serious proportions as the river eats into the park, especially the demonstration area which has been carefully built up by the Accokeek Foundation to accommodate the visitors and provide an educational experience of agriculture in the late 18th century. We have now found that local engineers with extensive experience in erosion control and the Potomac River can provide this study for $85,000.

We are not citing these in criticism of the Park Service which operates under constraints of which we are well aware that raise the cost. We will leave it entirely in the hands of this committee as to the course that shall be pursued.

Last year we testified before this committee in support of an appropriation to move or build a new residence for the farmer/caretaker at the National Colonial Farm and to erect a period house for visitors. We again urge consideration of appropriating $135,000 to carry out this part of the National Colonial Farm master plan.

We request the consideration of the committee on the appropriation of $412,000 for work which is badly needed in Piscataway Park and for the health and safety of visitors and staff.

## STATEMENT OF RONALD J. TIPTON, DIRECTOR, NATIONAL PARKS PROGRAM, THE WILDERNESS SOCIETY

Senator McClure. The Wilderness Society, Mr. Charles Clusen.

Mr. Tipton. Thank you for the opportunity to testify. For the record, I have submitted copies of four separate statements prepared by the Wilderness Society staff on the national park, the wildlife refuge appropriation, the Forest Service, and Alaska programs.

I am Ronald J. Tipton, the director of the national parks program, and I would like to limit my remarks to the National Park Service budget and the Land and Water Conservation Fund.

I'm pleased to have this opportunity to provide testimony and I want to start by thanking this committee and you, Mr. Chairman, for adding the more than $150 million to the Land and Water Conservation Fund in fiscal year 1983. We do sincerely appreciate that. We do think the need is greater than that and we will continue to push for as much funding for the Land and Water Conservation Fund, but we recognize the many priorities that go unfunded.

We do want to call your attention to the fact that we are very concerned about the very low obligation rate for the National Park Service portion of the fiscal year 1983 appropriation. To date, only about $6 million of fiscal year 1983 money for park acquisition has been spent and we are concerned that the Department decision to prepare land protection plans for each of the units of the park system where land acquisition is still needed, albeit a reasonable approach, may cause unnecessary delay in acquisition and unnecessary delay in acquiring land that Congress specifically requested be acquired, and we would hope that this subcommittee would make sure that those funds that have been allocated for projects like Olympic National Park, the Appalachian Trail, and others would be spent in a timely way.

For fiscal year 1984 we have identified and will provide to the subcommittee a list and description of projects for Federal acquisition in fiscal year 1984. We have come up with a total of close to $300 million of land acquisition needs for the Park Service, Forest Service, and Fish and Wildlife Service, including the administration's request.

These projects are those for which there are either (1) a court award already existing or expected; (2) a serious threat to resource exists; or (3) there's a strong possibility of willing sellers and/or hardship to landowners. As I say, we'll provide a complete list of these projects in the very near future.

We also believe it's critical that the Congress continue to fund the State share of the Land and Water Conservation Fund at a level adequate to maintain a viable program. We are very pleased that the Senate had money in their appropriation last year for the State. We are aware that you had a major role in that and, again, we appreciate that.

Let me just touch on two other matters in the National Park Service budget. The 1982 Surface Transportation Assistance Act made significant changes in the Federal lands highway program which I know you're aware of, and among these changes, though, is there's now a direct contribution of $100 million a year from the highway trust fund for national park roads and these funds are now available directly from the trust fund and need not be appropriated.

We are concerned about this lack of congressional control of the park highway pursestrings could result in unnecessary and damaging highway construction and realinement. We are not opposed to all new road construction in the parks and there are ongoing construction projects that we would support, but we are convinced that there are sufficient ongoing road maintenance and rehabilitation needs for the Park Service to spend virtually all the available trust fund money, and we feel that would be consistent with the thrust of the Surface Transportation Assistance Act which as we saw it is to maintain and restore America's existing primary roads and bridges.

And we would encourage the subcommittee to maintain an active role in monitoring the park highway program.

Finally, I would just mention that we are very much opposed to the administration's efforts to eliminate the national park visitor transportation funding which now helps visitor transportation services in 20 of our national parks.

Senator McCLURE. Thank you very much. Do you have an objection to the construction or repair or rehabilitation of roads that are within the national park system that are consistent and a part of the master plan of that park?

Mr. TIPTON. No; we do not.

Senator McCLURE. So you will be satisfied if that expenditure is consistent with the master plan?

Mr. TIPTON. That's correct. I think what I'm trying to say is that we think the highest priority is the rehabilitation and maintenance of bridges and the roads.

Senator McCLURE. Thank you very much.

Western Interstate Energy Board/WINB, Tim Gallagher.

[No response.]

[The statement follows:]

## STATEMENT OF RONALD J. TIPTON

I am very pleased to have this opportunity to provide testimony to the subcommittee on the fiscal year 1984 budget request of $739 million for the National Park Service (NPS). I am Ronald J. Tipton, director of national parks programs for the Wilderness Society. My testimony will focus on the Land and Water Conservation Fund and other aspects of the budget request for the National Park Service.

### LAND AND WATER CONSERVATION FUND

We are pleased that the Congress added more than $150 million in fiscal year 1983 to the administration's request for the Land and Water Conservation Fund. Unfortunately, the fight has only begun. The Department of the Interior is now intent on delaying or avoiding spending the funds appropriated for national park acquisition until it is literally forced by the Congress to do so. Very little of the money appropriated for fiscal year 1983 Park Service acquisitions has been spent as we approach the end of the fifth month of the fiscal year. Furthermore, the Department has now decided to virtually halt Park Service acquisition until new land protection plans have been prepared for each national park area. This is a delaying tactic, and it is clearly contradictory to congressional intent. For example, the projected completion date for the Cuyahoga Valley National Recreation Area land protection plan is September 1984. Yet Cuyahoga received $6 million for land acquisition for fiscal year 1983. So none of these funds will apparently be obligated until after the end of next fiscal year if the Department is allowed to carry out these delaying tactics. This is tantamount to impoundment.

The conference report on the fiscal year 1983 Interior appropriation bill states "The managers also recognize the value of adding the Wintergreen property in Nelson County, Va. to the Appalachian Trail system and encourage the Department to make every effort to acquire it before the option expires in March 1983." This acquisition is needed both to preserve about 4 miles of the trail as well as important visitor sites along the adjacent Blue Ridge Parkway from extensive second home development. Yet despite the fact the property can be obtained for less than appraised value, Assistant Secretary Arnett has not approved the purchase.

Because of this policy, there are immediate threats of adverse development in numerous national parks. Today subdivision plans are being developed or implemented on key tracts of land in Grand Teton and Sequoia-Kings Canyon National Parks. The most important single acquisition remaining along the Appalachian Trail, the parcel owned by the Wintergreen Corp., has not been approved by Assistant Secretary Arnett despite clear congressional intent and the landowner's willingness to sell. We hope the subcommittee will move aggressively to "encourage" appropriated funds for national park land acquisition to be spent without further unnecessary delay.

For fiscal year 1984 we have identified a total of close to $300 million of land acquisition needs for the Park Service, Forest Service, and Fish and Wildlife Service. These are projects for which there are either (1) court awards already existing or expected; (2) a serious threat to the resource exists; and (3) there is a strong possibility of willing sellers and/or hardships to landowners. We will provide the subcommittee with a complete list of these projects in the near future, together with a capsule description of each potential acquisition.

It is also critical that Congress continue to fund the State share of land and water at a level at least adequate to maintain a viable program. Dollar-for-dollar, there are few Federal programs that are as effective at delivering the intended benefits to citizens as the State side of LWCF. Even if the State matching contributions are limited by tight budget conditions, private donations of land and money can take up the slack. We recommend the subcommittee appropriate at least $125 million for the States share of the fund.

## OTHER NATIONAL PARK SERVICE PROGRAMS

The 1982 Surface Transportation Assistance Act made significant changes in the Federal lands highway program. Among these changes is a direct contribution of $100 million a year from the highway trust fund for National Park roads.

These funds are available directly from the trust fund and need not be appropriated. We are concerned that this lack of congressional control of the park highway pursestrings will result in unnecessary and damaging highway construction or realinement. We are convinced there are sufficient ongoing road maintenance and rehabilitation needs for the Park Service to spend virtually all of the available trust fund money. This would be consistent with the primary purpose of the Surface Transportation Assistance Act, which is to maintain and restore America's existing primary roads and bridges. We encourage this subcommittee to maintain an active role in monitoring the national park highway program, despite the fact you are no longer directly responsible for funding national park road construction and maintenance.

Given the current budget outlook, we are generally satisfied with the request for national park operations. We do, however, believe that some additional funds are needed for resource protection and management. Secretary Watt has never shown much interest in improving the capability of the Park Service to protect the great natural and cultural features of the parks from degradation. The House demonstrated its concern for park resources by its resounding 319–84 vote last September in favor of the National Park Protection Act. Many of the policies outlined in the Park Protection Act could be implemented if funds are made available for the necessary research, personnel, and programs.

We are very much opposed to the administration's efforts to again attempt to eliminate national park visitor transportation system funding. This is a cost-effective program, now operating in approximately 20 national parks, which has greatly reduced traffic congestion and air pollution in Yosemite, the Everglades, Grand Canyon, Redwoods, and a number of other major natural and historic national parks. It should be allowed to continue.

I will be pleased to answer any questions from the subcommittee.

## STATEMENT OF G. BARNARD CALLAN, NATIONAL ALLIANCE OF PRESERVATION COMMISSIONS

## ACCOMPANIED BY CHERILYN WIDELL, EXECUTIVE DIRECTOR, MARYLAND ASSOCIATION OF HISTORIC DISTRICT COMMISSIONS

Senator McCLURE. National Alliance of Preservation Commissions, G. Barnard Callan.

Mr. CALLAN. Senator, I am Bernard Callan. I am chairman of the National Alliance of Preservation Commissions which represent historic district commissions in over 1,000 local governments across the country. I have asked Cherilyn Widell, who is executive director of the Maryland association to also provide you with a few words.

Ms. WIDELL. I am Cherilyn Widell, executive director of the Maryland Association of Historic District Commissions. And what that is is essentially the little guys that are out in the State of Maryland that have local legislation in their local communities to protect either historic districts or individual landmarks. In Maryland alone we have 32 communities like that.

We are here to request your support in the funding of the National Trust for Historic Preservation and the State historic preservation offices. Directly, we get none of that funding, but we need them. The reason we need them is that commissions are volunteers. We have no professional staff and without the national trust or the State historic preservation offices to turn to, we really do not have anywhere to turn to for preservation information and technical assistance to revitalize our communities and restore our communities.

So, please seriously consider this funding for the National Trust for Historic Preservation and the State historic preservation offices because without them we really have no way to turn.

[The statement follows:]

### STATEMENT OF CHERILYN WIDELL

I am Cherilyn Widell, executive director of the Maryland Association of Historic District Commissions, an organization of the 32 local preservation commissions working under local legislation in Maryland who, as part of the National Alliance of Preservation Commissions represent almost 1,000 local communities with local preservation legislation in the United States. I am here today to request your support for the funding of the national historic preservation program fund for the State historic preservation offices and the National Trust for Historic Preservation.

I work day in and day out with the local communities in the State of Maryland and across the country which have local legislation and local preservation commissions for the protection of historic districts and landmarks. These commissions like many people in preservation are made up of volunteers. But, they are volunteers which work from their local communities in a preservation partnership with the State historic preservation offices and the National Trust for Historic Preservation.

They work in little towns like Berlin, Md., a small town on the eastern shore which you may have passed by on Route 50 on your way to Ocean City, Md. The architecture in the town could not compare with the mansions of Charleston, but it is very special to the people who live there. It is their town, built by their parents and grandparents out of wood gingerbread and cast iron. It could never be replaced in their memories or their hearts. And, just like a thousand other hometowns in the United States, the mayor and council, the businessmen, and the local citizens want to restore the town. They want to rehabilitate the empty old hotel and take off the formstone which covers the brick buildings downtown. They want to revitalize their main street and put their town on the National Register of Historic Places.

The State historic preservation offices and the National Trust for Historic Preservation work with local governments like Berlin by providing technical information covering the entire field of historic preservation. They serve as a resource center providing information to local communities on a day-to-day basis. They help citizens identify what is worth saving and rehabilitating and listing on the National Register of Historic Places. The services provided by the State historic preservation office and the national trust are service beyond the individual capabilities of local governments. To ask local communities and preservation commissions to do without them is like taking the laws from the legislators or the tools from a carpenter.

Fortunately, Berlin and a thousand other small and large communities like it have gotten the tools they needed. Armed with information about the investment tax credit for rehabilitating historic buildings, design guidlines for storefronts, and an historic sites survey which documents the important historic and architectural buildings in the town, the people of Berlin are bringing about a boot strap effort to revitalize and restore their community. They are making sure that the special character of their town which they cherish so much is kept for the future.

How can you measure in dollars the success of a program that saves our country's heritage? I could give you the cold hard dollar amounts that have been spent for rehabilitation in the town of Berlin. I am sure that they would not impress you even though they were sizable for the local businessmen. But, if I could take you to that town or any number of towns in which I have worked and show you what this program is doing to help communities you would be impressed. I know that you would see that the money provided to the State historic preservation offices and the National Trust for Historic Preservation is a wise and efficient investment.

This program is helping the hometown of Berlin. It is helping the hometowns in your States too. The historic preservation program in this country is partnership between the Federal, State, and local levels. Across the country, I have seen what people can do and commitments that they are making to preservation at the local level. I feel that they have already made their commitments to preservation in their time and their money. We are asking you to continue your part of the partnership at the Federal level.

The State historic preservation offices and the National Trust for Historic Preservation must be funded. The certification of local governments as legislated under the National Historic Preservation Amendments Act of 1980 must proceed and be administered by the State historic preservation offices as legislated.

We ask your help in funding that State historic preservation offices and the National Trust for Historic Preservation so that the people in towns like Berlin will be able to keep the town they remembered as a kid and the kids of that town will remember it in the future.

Mr. CALLAN. I am from Frederick, Md., your neighbor to the north. I am a businessman, a volunteer. We have used the national trust extensively over the years. We've used the Maryland Historical Trust which is our State preservation agency. They've been a big help to us.

As a businessman, I look at the bottom line. Last year Congress appropriated slightly over $25 million. That leveraged an investment of over $1.8 billion in Tax Act certification projects alone. I think that is a tremendous return on the investment and that's what we would like to ask you to continue to support the funding levels that have been requested. Thank you very much.

Senator MCCLURE. Thank you both. I appreciate your testimony this morning.

[The statement follows:]

### STATEMENT OF G. BERNARD CALLAN, JR.

I am G. Bernard Callan, Jr. and I am the chairman of the National Alliance of Preservation Commissions. We are an organization that represents over 1,000 local governments that have Historic District Commissions or Landmark Preservation Commissions.

As I stated in the beginning I am the chairman of the National Alliance of Preservation Commissions. More important than that, I am the chairman of the Frederick City Historic District Commission. Unlike some of the other people you have heard today I am not a professional in the field of historic preservation, I am a volunteer. I am a downtown Frederick businessman that operates a wholesale auto parts business in the historic district. I have seen what historic preservation can do for a town when it is used to turn around a dying downtown. It has worked so well that developer Jim Rouse goes around the country saying that the most liveable small town in this country is Frederick, Md. It has worked so well that last year the Washington Post wrote an editorial about living in Frederick and Giant Food reprinted it into a full page advertisement because they were so proud that they were in Frederick. Over the years Frederick has received a great deal of information and help from the Maryland Historical Trust, our State preservation agency, and the National Trust for Historic Preservation. Without the availability of these resources a small town like Frederick would never have been able to do the things we did. I know you would not expect an auto mechanic to work on your car without the proper tools, equipment, and knowledge. It is the same way for communities across this entire country. this funding request that we support will be the most efficient way to get those tools and that knowledge to the people who need it. In the 1980 amendments to the Historic Preservation Act you created a program for certified local government to enable local communities to become even more involved. In the regulations proposed by the Department of Interior the State historic office is given the responsibility for administering this program. We want and need this program, we want and need our State historic preservation office. We think we have an outstanding office in Maryland and an outstanding SHPO in Rodney Little. We have it because we work closely with these people every day.

Since the 1960's the State of Maryland has invested money into historic preservation. Since the 1960's Frederick City has invested money into historic preservation and continues to do so. Like many other business people in Frederick I have invested my money and my time in historic preservation, in my case since the 1950's. I am asking that you continue the investment of the Federal Government in this area so that we can continue the partnership of the Federal Government, the State, and our local governments. As a businessman I always have to look at the bottom line and the return on my investment. Last year you invested $25 million in historic preservation. That brought about an investment of over $1.8 billion in historic preservation Tax Act properties. Gentlemen the return on that investment is fantastic. But the real return on that investment is in the saving of not just buildings but communities. Saving our heritage so that we can have a past to build on for a future.

### STATEMENT OF JAMES B. GRIFFIN, UNIVERSITY OF MICHIGAN, SOCIETY FOR AMERICAN ARCHAEOLOGY

Senator MCCLURE. Society for American Archaeology, Dr. Philip Speser.

Mr. GRIFFIN. Mr. Chairman, I am not Dr. Philip Speser. He is a bright young man. I am James B. Griffin from the University of Michigan, a retired but not a very retiring professor there, a founder of the Society for American Archaeology which is presenting this support for the appropriation for the National Park Service to continue the archaeological work in the United States which has been mandated by Congress under several legislative bills.

We support this legislation as the largest organization of professional archeologists in the country and particularly a very minor appropriation of $300,000 to allow the consulting archeology office in the Department of the Interior gain more adequate control of the activities that are going on across the country at the present time with Federal funds.

There is at the present time no central office which can determine where archeological work has been done in the country and by whom and when. And such a synthesis of data of present and past archeological work would be a great help in cost efficiency in running the archeological program under the Department of the Interior's jurisdiction.

So that because of the considerable importance of archeological work which has been mandated, we request the appropriation of $1.75 million for the Department of the Interior and the $300,000 for collation of data in the consulting archeologist's office.

Senator McCLURE. Thank you very much. I appreciate your testimony. The statement will be made a part of the record.

Mr. GRIFFIN. Thank you.

[The statement follows:]

## STATEMENT OF THE SOCIETY FOR AMERICAN ARCHAEOLOGY

Throughout this century, the Federal government has been concerned about the preservation or recording of archaeological materials or data which would be lost as a result of Fedral construction or Federally licensed or aided activities. The public has benefited from this work in a number of ways. We have made important strides towards preserving and recording our national heritage. And, like other sciences, archaeology is increasingly important in applications in other social endeavors. For example, New Mexicans have benefited from work which laid the basis for the development of rainwater run-off collection and containment systems. In Arizona, a prehistoric irrigation project was the basis of the Salt River Project. Farmers and land use planners have also benefited from the establishment of long-term rates of local soil formation and erosion. Nuclear waste producers have benefited from archaeological analysis of the long-term durability of various materials which could be used in the manufacture of waste disposal packages. Abroad, work on Mayan and Inca irrigation systems, to mention only one example, has opened up new agricultural lands for people in Latin and South America.

As the leading archaeological society in the United States, the Society for American Archaeology is naturally concerned about the implementation of legislation bearing on archaeology and the levels of funding for those activities. As scientists we have a professional obligation to point out ways in which either the scientific importance or the cost-efficiency of Federal those efforts may be improved.

Experience has taught that without Congressional intervention bureaucrats concerned with other substantive duties would neglect their responsibility to preserve our nation's heritage. The National Historic Preservation Act of 1966, Archeological and Historic Preservation Act of 1974, and the National Historical Preservation Act Amendments of 1980 provide basic direction, however more guidence is necessary.

Under P.L. 93-291, the Secretary of Interior is given the task of coordinating Federal archaeological efforts. Yet in an April 22, 1981 GAO report [Are Agencies Doing Enough Or Too Much For Archaeological Preservation? Guidance Needed], the Comptroller General notes that the failure of Interior to adequately perform this function "has resulted in project delays, increased costs, and general confustion over what is required to identify sites, determine their significance, and protect their resources." We agree with this conclusion--if not with all the analysis or recommendations of the report.

Like any function, coordination can only be cost-efficiently performed if it is clear what the goals of coordination are. Recently, some Interior officials asked if we could provide three research questions in order to increase the efficiency of Federal archaeological work. The premise seems to be that we could then mount some kind of archaeological equivalent to the NASA effort to place an American on the moon. Preservation and data recovery projects which contributed to the mission could be funded, the others not funded. These officials presume that fewer projects would be funded if only we knew "what we are looking for."

Unfortunately, this approach to coordination misunderstands archaeology. The key questions in any science are basic, and thus too broad or vague for political decision-making despite the fact that they can stimulate excellent research. We have concluded that **the overall cost-efficiency of Federal archaeological activities, and its utility to researchers, would be enhanced if coordination was focused upon ensuring that**

**resources are not wasted on needless work due to inadquate inventorying, analysis, and publication of Federally-funded work.**

Two bottlenecks inhibit the elimination of needless work. First, there is not presently anyway that an agency can easily and quickly determine whether a plot of land has been surveyed and studied by another agency and when such activities occurred. The solution for this problem is simple. Authorization and appropriation of approximately $300,000 would fund the hardware, software, and personnel necessary to development and operate a computerized inventory of Federal work in the Department of Interior's office of the Consulting Archaeologist.

This data base need not contain actual agency reports. It is sufficient to merely be able to determine who studied what plot, when, if any significant discoveries were made, and who to contact for further information on the work that had been done. Such a data base would enable agencies to avoid duplicating work that had already been done, thereby speeding Federal and non-Federal construction projects and freeing archaeological funds for more rapid preservation and data recovery efforts on projects that need to be done.

The second bottleneck involves analysis and publication of recovered data. Too often Cultural Resource Management projects are conceived as purely "salvage" efforts. Salvage of significant material is, of course, essential. You cannot make an artifact. Once it is destroyed it is gone forever. Yet what good is salvage if we do not examine what it is we have found?

Unfortunately, too many agencies view archaeological work as merely a means for satisfying legal requirements on the conduct of construction or other projects. The result is that much archaeological work is begun but never completed. Artifacts are recovered only to be stored in warehouses. They are neither studied, nor catalogued.

Without the analysis and publication of the findings of Federally-funded work, the ability of professional archaeologists to offer guidance to state and Federal agencies is drastically curtailed. Warehousing expenses for unstudied artifacts become, of course, unnecessarily large. Lack of publication also makes the development of comprehensive state plans for archaeological work extremely difficult. One consequence of inadequate state plans, according to the GAO, is that. "States therefore are unable to help Federal agencies determine whether Government projects affect significant archaeological properties."

Under P.L. 93-291, the Secretary of Interior is authorized to expend funds to assist agencies in the recovery, protection, and preservation of archaeological data, **including analysis and publication**. The appropriation of $1.75 million per year of Moss-Bennett funds [these funds have already been authorized], would enable the Secretary to provide assistance for critical preservation and data recovery efforts, to ensure that the results of such efforts is analysed and published, and to make a dent in the backlog remaining from previous efforts.

The establishment of an inventory of all Federally-funded projects in the Department Consulting Archaeologist's Office and the introduction of analysis and publication as an integral part of Federal efforts are modest requests, yet we are confident that they will enhance the cost-efficieny and excellence of Federally-funded archaeology. They will enable us to maintain the a level of quality in the Federal archaeological program which would be otherwise impossible given the real dollar cuts that have been occurring in archeological budgets across the government. Equally important, we will all benefit from an increased ability to understand who we are, why we are here, and what we have been doing for the last 4 million years in this land.

Senator McClure. We'll next hear from the National Federation of Federal Employees, James Pierce.

[No response.]

## STATEMENT OF WILLIAM C. LIENESCH, ASSISTANT DIRECTOR OF FEDERAL ACTIVITIES, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Senator McClure. National Parks and Conservation Association, William Lienesch.

Mr. Lienesch. Thank you, Mr. Chairman. My name is Bill Lienesch. I'm with the National Parks and Conservation Association.

There's just a couple of points that I'd like to make today and I'll try not to repeat anything that was in the statement of Mr. Tipton and try to follow up on some of the points he made about the Park Service budget.

First, though, I'd like to say, again, we'd like to express our thanks to you and your staff for last year's appropriations bill. We really liked the thrust of that, especially comparing it to this year's request from the administration, there are certain things that you added on last year that are again not found in this year's budget in land and water and historic preservation and those sorts of things that we believe still need continued funding.

There are four things I'd like to briefly touch upon. First of all, if I could just follow up on the issue of the roads. If we could use the terminology of this administration of taking care of what you have first, the point that Mr. Tipton was making and I would like to go along with, is that you should take care of the roads that need rehabilitation first wherever possible before spending some of this road construction money out of the highway trust fund on new road construction. And there's in excess of 100 or 200 or 300 million dollars' worth of repair and rehabilitation needs that are existent in the Park Service now, so that's where we'd like to see the major part of that money go.

Second, on the visitor transportation system which Mr. Tipton also touched on, we realize that some of those systems may not be necessary, that others of them might be able to be run by a concessionaire, but we believe that there are going to be some that will still need some kind of Federal subsidy. And while we can see cutting back on the subsidy, we don't believe that termination is going to be in the best interest of the parks because in many cases you're trying to use those systems to try and get people into areas where it's either difficult to get into or there's a significant resource and you don't want cars in that area.

The other two areas that I'd like to touch upon are resources management and then just briefly on the Land and Water Conservation Fund.

In the area of resources management, last year Congress added $10 million. We were very pleased to see that happen. The administration has kept $7.1 million of that in the budget. We believe that there's a need in excess of $10 million and we're now doing an analysis to get a better feel for that. It's very difficult because the Park Service doesn't keep the figures on resources management like they do on which roads they repaired or which projects they've spent land and water money on. We'll be getting back to you with a specific list.

At a minimum we would ask that you keep the $10 million, not reduce it down to the $7.1 million that the administration is proposing.

Senator McClure. We will welcome that list when you can get it for us. Thank you.

Mr. Lienesch. On land and water, we of course support the $400 million level that Mr. Tipton was talking about, roughly about $300 million for the Feds and $100 million for the State side and we'll be getting you a list on that as well.

The one point that I'd like to make about the administration's budget besides the obvious inadequacy of the funding level is that they state that there is money in there for emergencies and hardships and yet when you look at the exact figures, the tables, which show which projects they're funding, there is no funding available for emergencies and hardships.

As the economy starts to strengthen with the decrease in interest rates, there has been an increase in building around the country and some of this is beginning to show up in the parks as well and so there's going to be an increasing need to have money to stop adverse uses such as subdivisions and other kinds of development and so there will be a greater need for land and water money for that I believe in the coming year than there has been in the last two. In a sense, we were kind of fortunate that building activity has been rather low the last 2 years and I think the parks have benefited in a sense during that period because there have been somewhat less threats than we saw in the late 1970's for example.

That covers the major points that I'd like to make. There are others in the statement but those are the major ones I wanted to touch upon verbally and I'd be happy to answer any questions that you might have.

Senator McClure. Do you have any information virtually at your fingertips about State expenditures that are ready to be made under Land and Water Conservation Funds on the State share?

Mr. Lienesch. No, sir; I don't. I know that the National Recreation and Park Association, which really is the organization that focuses more on the State side—we focus more on the Park Service—has done an initial analysis and I believe they're testifying later today and I think they can probably give you some feel for that, but they haven't done a nationwide analysis.

Senator McClure. Thank you very much.

[The statement follows:]

## Statement of William C. Lienesch

I am William C. Lienesch, representing the National Parks and Conservation Association, located at 1701 18th St., N.W., Washington, D.C. I appreciate the opportunity to comment on the National Park Service budget request for fiscal year 1984. In comparing this year's proposed budget to the fiscal year 1983 budget provided by Congress, we have found that the basic thrust of the fiscal year 1983 budget is preferable in several important respects. Last year, Congress added funds for several important functions which the administration is proposing to significantly reduce or delete from the fiscal year 1984 budget. Most notable is the severe reduction in the funds available for land acquisition and for grants to the States.

Before examining these reductions, we would like to make some comments on the overall operating budget for the national park system. In general, the funding appears to be reasonable. There are, however, four aspects of the budget that we are very concerned about.

First, the administration is proposing to eliminate all funding for the visitor transportation systems. While it is possible that some of the systems are unnecessary or too costly, and others might be able to be run by concessioners, it makes no sense to eliminate funding for all of the systems. These systems were established to lessen a major problem facing many parks, namely, too many cars in the most historically and naturally significant areas within the parks. The administration has not given us any evidence that all of the funding for these visitor transportation systems should be terminated. We urge the subcommittee to carefully review the administration's proposal and support the retention of the funding for as many of these visitor transportation systems as possible.

Second, in fiscal year 1983 Congress added an additional $10 million to be spent on preserving natural and cultural resources. Given the many serious resource problems facing the parks, this funding is desperately needed. The administration has retained $7.1 million of the $10 million in the fiscal year 1984 budget. At a minimum, the entire $10 million is needed. However, we would urge that additional funding beyond the $10 million be provided. After we have had a chance to review the proposed fiscal year 1984 budget in more detail, we will be making a specific recommendation on the amount of additional funding needed in fiscal year 1984 for resources management.

Third, we are concerned about the large amount of road repair and construction funding that the Park Service will be spending from the highway trust fund. As result of the passage of the Surface Transportation Assistance Act of 1982 (Public Law 97-424) the Park Service will be receiving a total of $375 million for its roads over a period of 4 years, of which $100 million is available in fiscal year 1984. There is no doubt that this funding is needed. However, in the past, when receiving large amounts of new funding, the Park Service has tended to spend money on high-priced projects and those ready for construction even if they were not the highest priority. There are many road projects of $10,000, $20,000 or $30,000 that need to be funded. Funding these small, often low visibility, projects can preclude the need for larger and more costly repairs in the future. While this funding comes from the highway trust fund and is not under the jurisdiction of this subcommittee, we strongly urge you to review the Park Service's road program in depth and recommend changes where necessary.

Fourth, the administration is proposing massive cuts to the recreation and natural programs under the national recreation and preservation account. These are very important programs that provide funding for trails and wild and scenic rivers planning and the natural landmarks program. While some small reductions may be possible, the proposed cuts are not warranted or wise.

We are pleased to note that the Park Service is proposing to spend an additional $898,000 on improved management of museum collections and other cultural resources. The Park Service is responsible for approximately 10 million historic objects and artifacts and only about 10 percent of these have been inventoried. We strongly support this proposed increase and urge that it be included in the fiscal year 1984 budget.

As has been true of the previous two budgets of this administration, the amount proposed for the Land and Water Conservation Fund is totally inadequate. Along with several other conservation organizations, we have conducted a preliminary analysis of the projects that need funding in fiscal year 1984. At this point, it appears that there are Federal projects totaling approximately $275 million that should be funded in fiscal year 1984. In addition, we are supporting approximately $125 million for the State side of the LWCF. The actual needs on the State side are considerably more than $125 million. While we realize that it is unlikely that the total LWCF appropriation can be the $400 million we are requesting, we urge Congress to provide as much as possible. We will send a copy of our analysis of the fiscal year 1984 needs to the subcommittee when it is complete.

There are many Federal projects that deserve funding in fiscal year 1984. One facing a great need is the Santa Monica Mountains NRA. Given the increases in land values in the past 4 years, it will probably not be possible to complete this NRA as originally envisioned. However, with continued funding, the Santa Monica Mountains NRA can still be a magnificent unit of the national park system. We urge the subcommittee's support for this area in fiscal year 1984 and subsequent fiscal years.

One issue with which we are becoming increasingly concerned is the administration's failure to spend land acquisition funds appropriated by Congress. Over the past 2 years, this administration has tried several ways to stop spending land acquisition funds. Now, it is stopping virtually al' acquisition until the land protection plans are complete. In some instances, these plans may be useful but given the record of delay by this administration, we question the administration's reasons for delaying acquisition while the plans are prepared. If the plans are such a good idea, why weren't they done in 1981 instead of waiting until 1983 after the administration had tried and failed to stop or delay acquisition through other means? We hope the subcommittee will review this issue in depth throughout 1983.

There are three other parts of the Park Service budget that should be funded and for which the administration has requested no funding.

First, the administration is not requesting any support for the historic preservation fund. This program has been extremely effective and should be funded at $30 million. Second, the urban park and recreation recovery program has shown that a great deal can be accomplished with a relatively small amount of funding. We recommend that $20 million be appropriated for this program in fiscal year 1984. Third, the Youth Conservation Corps and other youth conservation employment programs have proven to be effective in both providing useful jobs for youth and improving our parks, refuges, and forests. It is possible that a new program, the American Conservation Corps, will be enacted this year. We recommend that the subcommittee continue its support for youth conservation employment programs and, if at all possible, support increases in the funding available for fiscal year 1984.

There is one additional issue we would like to bring to the subcommittee's attention. It is not strictly a budgetary issue but it is nonetheless extremely important. The Park Service is in the process of undergoing a reorganization. While certain aspects of the reorganization may prove to be beneficial, others may be very detrimental and significantly reduce the professionalism of the Service. We hope that you will be able to continue to review the reorganization as it unfolds.

We appreciate the opportunity to testify on the National Park Service budget and would be happy to answer any questions.

## STATEMENT OF JOYCE CAMPBELL, STATION MANAGER, WETA-TV, NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

Senator McCLURE. National Public Television, Joyce Campbell, WETA.

Ms. CAMPBELL. I'm Joyce Campbell, station manager at WETA-TV, channel 26. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to express the strong support of this Nation's public television stations for a continued Federal commitment to the National Endowment for the Arts and Humanities. We're grateful for the support of this subcommittee for the humanities and we would urge you to maintain this same support.

I have a prepared statement for the record, Mr. Chairman, but I would like to take this opportunity to speak particularly to the experiences of WETA with projects funded by the humanities and I might also mention that what I will say will also have particular reference to small stations in small States because for 6 years I worked at KUYB in Moscow, Idaho, ending as manager there.

Endowment funded programs have been among the most important public television programs that we've had the opportunity to present our viewers in the past few years. "American Playhouse," "Odyssey," "American Short Story," "Dance in America" have been the programs that have really brought the best of American culture, the most important part of American history to the American public. They've drawn new viewers to public television and Endowment funding to these projects has been vitally important.

Endowment funds have been important to American television because they have also allowed to challenge grants for us to help convert the new viewers to supporters of public television.

As a producer of programs for national distribution Endowment funds have been very important to WETA to help us share the riches of the Nation's Capital with the American public. The broadcasts from Wolf Trap Farm Park were WETA's initial step into production of natural cultural programs. I might add through the close association we developed with farm park we were able to turn the tables around slightly last spring after the tragic fire. WETA broadcast a telethon which raised more than $400,000 for the rebuilding of the theatre.

On a national basis with Endowment funds we are preparing a new series on American architecture and design, again this would not have been possible without the Endowment.

Endowment funds are also crucial to local public stations in producing local programs that can serve their local constituencies both through direct grants from the Endowment or from grants through the State on its humanities councils we've been able to design programs that have been particularly useful. We're producing a new minorities producers lab through Endowment funds which we could not have done before bringing new programs and new producers into the mainstream of American public television.

We've produced jazz programs with Endowment funds that have enlarged the local and national audiences for jazz. We have grants from the D.C. Arts Council and the Virginia Arts Council that have allowed us to do local arts programing. We have a major project with the new D.C. Humanities Council that is allowing us to produce programs on D.C. history, both from funds that they've provided and using research for other programs that they've initiated.

During the time I was in Idaho the support that the Idaho station had from the Idaho Humanities Council and the Idaho Arts Council allowed us to both serve the citizens of Idaho with important debate on public policy issues that would not have been possible without that.

Thank you very much.

Senator McClure. Thank you very much. We're delighted to see you here this morning.

[The statement follows:]

## STATEMENT OF JOYCE CAMPBELL

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to express the strong support of this nation's public television stations for a continued federal commitment to the National Endowments for the Arts and Humanities. We are grateful to the Subcommittee for its continuing support for adequate appropriations for the Endowments and encourage you to maintain their essential role in our democratic society through appropriations levels at least equal to those provided for fiscal year 1983--$135 million for the Humanities and $144 million for the Arts.

As this Subcommittee is well aware, the modest federal support for the Endowments has done far more than promote a growing appreciation of our rich cultural heritage and a flourishing of our emerging creative talent, important as those contributions are. It has been the seed money for garnering citizen and corporate support far exceeding the original investment. In partnership with public television stations, this multiplier effect is increased many times again so that these programs may be among the most cost-effective investments of the federal government.

Public television programming can extend the reach and value of the Endowments' funding by providing a large audience, economically and effectively. For example, the average audience for a single program on KENNEDY CENTER TONIGHT is 5.5 million viewers--nearly four times as many people as the total annual attendance of all performances in all concert halls, theaters and studios of the Kennedy Center itself, 1.5 million. In racial balance and income level, the viewers of this programming mirror the nation as a whole. A disproportionate amount of the audience is over 50 years of age and not in the work force; thus such programming frequently provides the only cultural service for our elderly, disabled, low income and unemployed Americans.

For others in the audience, the initial appeal of the programming nourishes an acquired taste, thus contributing to the growth and development of creativity in America. According to a survey in the late 70's, over 60% of the audience for the spring performance of New York's Joffrey Ballet were prompted to attend by watching DANCE IN AMERICA on public television. Opera companies across the country saw an upsurge in attendance with the airing of LIVE FROM THE MET. And from the point of view of the Met itself, this creative interdependency will be as important in the future as it has been in the past; in the words of Executive Director Anthony Bliss, "We feel that public broadcasting in the future is a fundamental element in our ability to both expand our services and maintain ourselves and survive."

For WETA, this interdependence has special significance. LIVE FROM WOLF TRAP marked our emergence as a producer of cultural programming broadcast nationwide, as important to our local mission as to viewers throughout the country. When the area's amphitheater was destroyed by fire last April, WETA sought a special waiver of the rules of the Federal Communications Commission, which prohibit one non-profit organization from raising funds for another, in order to broadcast a three-hour fundraising telethon to rebuild the theater at Wolf Trap Farm Park. Because of the publicity our effort received, we were able to attract substantial sources of matching funds. During the course of the evening, we received over 3,000 pledges, including nearly 1,000 from beyond the D.C. area, due to simulcast carriage of the telethon by our sister stations in Norfolk and Boston. The total amount pledged--$167,000--in combination with matching funds of $223,000, resulted in a combined total of nearly $400,000--over 25% of the total contributions raised by the date of our June broadcast.

Last July, we were able to announce the first participants in WETA's Independent Minority Producers Laboratory, a new joint venture funded by grants from the National Endowment for the Arts, The Gannett Foundation and local contributors to WETA. The forthcoming programming will not just provide our viewers with a profile of the blues and folk-oriented a cappella singing group "Sweet Honey on the Rock" and the international career in painting of Lois Mailou Jones; it will amount to a significant step toward wider prominance for both the program producers and the individuals profiled.

WETA's continuing cultural commitments have produced similar results. Live broadcasts of local jazz performances have increased the popularity and thus the financial viability of local establishments and local talent. IN PERFORMANCE AT THE WHITE HOUSE acts as a nationwide springboard for our most gifted new performers, whose prominence has previously been appreciated by but a select few.

Moreover, the appreciation of this programming is not limited to American audiences alone. In 1979, for example, public television production entities sold 953 programs to 48 countries, earning about $9 million--nearly twice as much as our $5 million cost for programming imported from other countries. And among the most successful programs sold abroad are those in which the Endowments have made a substantial investment--AMERICAN SHORT STORY, AMERICAN PLAYHOUSE and DANCE IN AMERICA.

There is no way to overemphasize the importance of this programming for our public television stations--past, present and future as well. Without the early important commitments of the Endowments to GREAT PERFORMANCES--LIVE FROM THE MET, LIVE FROM LINCOLN CENTER and DANCE IN AMERICA--it is difficult to conceive that this expensive programming could have been initiated and nurtured to the prominent position it holds today. Nationally, this series has prompted underwriting from entities ranging from the Charles E. Culpepper and Andrew W. Mellon foundations to Exxon and Texaco. During our nationwide fundraising drives, it attracts a substantial and growing base of voluntary viewer support. Here at WETA, we have been able to generate additional local underwriting.

And without the established record of this programming support, it would have been difficult for us to enter into such costly productions as IN PERFORMANCE AT WOLFTRAP and IN PERFORMANCE AT THE WHITE HOUSE. But like public television stations throughout the country, we can build on the record established nationally to attract local audience support for locally produced cultural programming.

Without the early important commitments of the Endowments to AMERICAN PLAYHOUSE, it is equally difficult to conceive that this major new series could have been developed. But because of these investments, American playrights, producers and performers alike have a nationwide stage; American and foreign audiences alike have a unique new opportunity to experience the wealth of our heritage.

Local cultural programming is even more dependent on the Endowments--in this case, the funding provided to state and arts and humanities councils. Because of the funds WETA has received from the D.C. and Virginia Arts commission, in combination with member dollars and corporate support, we have been able to produce a regular local arts magazine. But without the initial grants from these local commissions, the program could not be produced. This year we are working on a new series about the history of the District of Columbia, highlighting the intellectual life around Howard University in the 1920's and 30's. Here the role of the D.C. Community Humanities Council was two-fold. Earlier humanities council symposiums provided the intellectual stimulation to produce the program. And, like our arts magazine program, we could not have produced it at all without funding from our local council. In Idaho, Mr. Chairman, it works the same way. When I managed the station in Moscow in the 1970's, it was because of a grant from the Idaho Commission that we were able to provide a major statewide debate of various public policy issues on our local television station.

But however important the Endowments were to our past performances, they are far more important to our future. In addition to a 25% reduction in federal support for the Corporation for Public Broadcasting, program production support from the Endowments has dropped by about 50%, from the Department of Education by nearly 75% and from the National Science Foundation, it has been eliminated altogether.

Last year the Chairman of the Humanities Endowment proposed to ax the media budget still further, with a suggestion that 50% of the reduced budget be reprogrammed for other purposes. Yet we know of no more cost-effective method of fulfilling the Endowment's mandate "to insure that the benefit of its programs will be available where such programs would otherwise be unavailable due to geographic or economic reasons" than through public television programming. Last year alone, more than 30 million American families viewed NEH funded public television programs. With repeat showings of programs--ranging from AN ACT OF CONGRESS, ODYSSEY and HARD CHOICES to THE SCARLET LETTER, NORTHWEST VISIONARIES and A PORTRAIT OF THE DEEP SOUTH--the NEH cost over the life of these programs is less than 10 cents per viewer per program. While we are pleased that this suggestion has not been repeated in the Administration's FY1984 budget submission, we would suggest that the Congress again reaffirm its commitment to the media programs of the Endowments at levels no less than those of FY1981--$7 million for the Arts and $9.5 million for the Humanities Endowments.

**What is at stake is what will be available on our stations next year and the following years, when previous investments have been exhausted and new investments cannot be made. For then as now, the financial support of the Endowments usually represents the first dollars, the initial commitment which prompts the corporate donations and then the viewer contributions. Equally at stake, is the fragile flower of an American cultural renaisance which, we respectfully suggest, has become as dependent on our delivery system as we have become dependent on its performances.**

**But with your help, this public-private partnership can grow to new heights rather than diminish and perhaps gradually perish. Thus we again urge your full commitment to this critical funding and its vital media services.**

## STATEMENT OF KENNETH G. STRATTON, DIRECTOR, MAINE FOREST SERVICE

Senator McClure. We'll next hear from the Maine Forest Service, Ken Stratton.

Mr. Stratton. Senator McClure, members of the subcommittee, I am Ken Stratton, director of the Maine Forest Service and here today to represent the interests of our State in the matter of State and private forestry programs.

Maine is a State that is 90 percent forested. In fact, it is probably the most heavily forested State in this Nation and therefore that forest represents to us a very important base to the economy of our State. That forest provides us not only with employment for our people, fiber for our industry, but a place for recreation, a home for wildlife, and a source of clean water.

Over the years we have instituted a number of programs which have been designed to both protect and manage that resource. The existence and the success of those programs has been due in great measure to the involvement of the U.S. Forest Service together with us in our program. Through cooperative programs they have given us both financial and technical assistance which has been very important to us.

That forest serves not only the interests of the State of Maine but together with other States we believe that forest serves the national interests as well. The goods and benefits flow outside our State boundaries as I know they do from other States.

The President's proposed budget is appalling to us. It effectively deauthorizes the Cooperative Forestry Assistance Act of 1978 and, therefore, I believe defies the wishes of Congress when it set up that act. With the administration's budget for State and private forestry and essentially the loss of all grants to States, I feel that our programs will be greatly diminished and in fact with some of our smaller ones they probably will be lost.

This action would compromise the ability of State organizations such as my own to continue to manage the majority of the forest resource in this country and at the same time it would compromise our ability to serve the interest of the small, nonindustrial private owners of forest land in this Nation. I think it would be most regrettable if this were to happen. I think that the progress that we have made, Mr. Chairman, has been very important, and I would not want to see this progress and the partnership ended because of this budget proposal.

I hope that you will consider restoring the funds back into the programs for State and private forestry.

I've outlined in my formal testimony suggested budget levels for these programs and I hope you will give them consideration. Thank you very much for the opportunity to speak.

Senator McClure. Thank you very much, Mr. Stratton.

[The statement follows:]

### STATEMENT OF KENNETH G. STRATTON

Senator McClure, members of the committee. I am Kenneth Stratton, director of the Maine Forest Service, and I am representing the forestry interests of the State of Maine before you today.

To give you a brief idea of our situation, Maine is over 90 percent forested, in fact, is the most heavily forested State. Naturally, our forest economy is vitally important to the State. Maine's paper and allied products industries, and timber and wood industries account for nearly 30 percent of the State's total manufacturing employment, and 37 percent of all Maine manufacturing wages. These same industries produce 40 percent of all value added in Maine manufacturing.

The significance of Maine's forest industries extends far beyond the State's boundaries. In 1977, Maine accounted for over 10 percent of all U.S. paper production. In addition, most of Maine's lumber is sold to the housing and industrial construction markets of the northeastern United States.

Just as the forest resource is important to Maine, so are our programs to protect, manage, and improve that resource. We've always enjoyed and benefited from the cooperative programs of the State and private forestry organization of the Forest Service, USDA. They have been important to us in many ways, from forest fire control to forest management, to tree improvement and to combating very serious threats to the Maine forest.

These programs are now in jeopardy with the administration's proposed budget for State and private forestry. As you know, the administration is proposing to end all grants to States for forestry programs, except for a very small amount in forest resource planning. I believe that proposed action to be an insult to me and to my counterparts nationwide. Further, I believe this budget recommendation defies the wishes of Congress in that it effectively deauthorizes the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313).

Specifically, we are looking at a proposal which cuts State and private forestry funds by 60 percent from 1983; an estimated 134 Federal employees and 1,160 State employees will be terminated; but, in my view, the greatest impact with this abrupt cut will be a reduction in our ability, that of State forestry organizations, to properly care for the forest resource, an important contributor to the strength of this great Nation.

Turning back to Maine, the impact of the cuts to my programs amounts to $750,000 and 31 jobs. That may not seem like much, but I assure you it's critical to us.

In addition to the financial assistance, we in Maine have benefitted from this partnership with the U.S. Forest Service in major programs such as our spruce budworm suppression project. For example, over the past few years, we have sprayed annualy between 1 and 3 million acres of our spruce-fir forests in order to minimize the devastation caused by the spruce budworm. Again, in addition to financial assistance, the Federal presence has helped us to properly coordinate and control the massive spray program, the largest in the Nation, and thereby eliminate the environmental problems that could otherwise have developed.

In summary, Mr. Chairman, the relationship established under the Cooperative Forestry Assistance Act has been important to us in Maine and to the other States as well. The financial assistance to our programs is most important.

I'm attaching a copy of the fiscal year 1984 funding recommendations of the National Association of State Foresters for the various State and private forestry programs for your consideration.

Thank you for this opportunity to speak.

## NATIONAL ASSOCIATION OF STATE FORESTERS—FUNDING FOR STATE AND PRIVATE PROGRAMS

[In millions of dollars]

| | Actual 1982 | Actual 1983 | Administration budget 1984 | NASF request 1984 |
|---|---|---|---|---|
| Forest insect and disease management | 23.760 | 27.609 | 17.320 | 24.800 |
| Rural fire protection and control | 14.193 | 14.370 | 3.007 | 21.600 |
| Rural forestry assistance | 16.338 | 12.666 | 3.735 | 17.200 |
| Urban forestry assistance | 1.696 | 1.500 | 0.00 | 2.200 |
| Assistance in management, planning, and technology implementation | 4.488 | 2.683 | .990 | 5.400 |
| Gifford Pinchot Institute | .470 | .500 | 0.00 | ............... |
| | ............... | ............... | (.270) | ............... |
| Firescope | .922 | ............... | 0.00 | ............... |
| Special projects—Boundary Waters Canoe Area | 3.688 | 3.000 | 0.00 | 3.200 |
| Total, State and private forestry | 65.555 | 62.328 | 25.052 | 74.400 |

1983 request was the same as of 1982 except for fire which is 1981 figure. Rounded to nearest million plus 8 percent for inflation factor.

### STATEMENT OF JOHN BETHEA, STATE FORESTER OF FLORIDA

Senator McCLURE. We'll next hear from the Florida Division of Forestry, Mr. John Bethea.

Mr. BETHEA. Mr. Chairman, members of the committee, I'm John Bethea, State forester of Florida, and I appreciate the opportunity to appear before you today to represent the interests of the citizens of Florida as well as the citizens of the Nation.

I have an abiding concern that what appears to be the administration's plan, and that is to totally deemphasize and totally abandon any commitment to the management, the reforestation of the private lands in the United States. These private lands must supply a significant proportion of the resources particularly after the year 2000 and 2020.

The 1983 administration budget and the 1984 administration budget tells me that that is the plan and I have a concern and I believe Congress would share that concern.

Mr. Chairman, I have a formal paper which I'll file for the record, but I want to make one other point which I think supports this concern that I have and I hope Congress shares, that there is a need for a national concern and a national interest in the management of the State and private lands. We need a national program. We need a concern reflected at the Federal level because that would generate additional funding from the private and the State sector.

Look at history. Few forestry organizations were in the South, particularly prior to the 1920 Clark-McNarry Act. The 1930 CCC's had a tremendous influence on forestry, particularly in the South. The 1940's, the capital gains tax, recognizing timber as a long-term crop; 1950, the soil bank. In 1970, the forest incentives cost share. Those actions at the Federal level influenced the management, protection, and development of the private forest lands of the Nation.

Mr. Chairman, I just believe that Congress will not allow this to happen. I just don't believe that it's in the national interest for this to happen. Historically, State governments and local governments more realistically respond to the local day-to-day needs. They don't have the capacity to look long range at what's going to happen 30 or 40 years from now. I believe that is a Federal responsibility and the Federal responsibility has been discharged with the help of Congress over the years.

If this administration's plan is implemented I believe significant violence will be done to the private lands of this Nation and I just urge you to again, as you did last year, keep the program surviving, keep them operating at least until our economic situation improves.

Senator McClure. Thank you, Mr. Bethea.

Are there any of the corporations that are involved in forestry involved also in the effort to reach out to the private small woodlot owners in Florida?

Mr. Bethea. Yes, sir. In Florida we have a voluntary incentives program that the industry is making a direct contribution to. In addition to that, they provide some technical service. They provide a tremendous amount of fire control personnel and equipment for fire suppression on all private lands, not just on their lands. They are making a significant contribution, yes, sir.

Senator McClure. Aside from the fire suppression, is that amount of commitment from them increasing?

Mr. Bethea. Yes, sir; it's increasing, and my concern is if there is no concern at the national level that their well could dry up because there would not be as high a level of protection available and there would not be the technical expertise there that the companies depend on for assistance.

Senator McClure. In my State I know at least one of the corporations has been very active in contracting with private landowners for the management of and eventual harvest of timber on private woodlots.

Mr. Bethea. Yes, sir. There is some of that done. There is excellent cooperation between the State agencies and the Federal agency and the corporations generally over the country now and that's one of the things that I don't want to see us lose.

Senator McClure. Thank you.

[The statement follows:]

### Statement of John Bethea

Mr. Chairman and members of the committee, my name is John Bethea. I am the State forester of Florida. In my State the forests support an industry with employment of more than 50,000 persons and annual payrolls of more than $700 million, which is a contribution to the economy of $4.6 billion annually. We are losing ground to other land uses and now are down to 15.5 million acres of commercial forest land, of which 54 percent is owned by thousands of private landowners.

We look to the forests not only for the raw materials of a major industry, but also for recreational opportunities, environmental and water protection and for scenic attractiveness. Our urban forests are highly valued for adding to the quality of life in the cities.

It should be the overriding mission of the Florida Division of Forestry, with the help and financial support of the U.S. Forest Service, first, to protect these forest benefits; and second, to seek by every means we can a two-to-three-fold increase in production of wood fiber to supply the demands of a growing population, and feed an export trade which is needed to help maintain a favorable trade balance for the United States.

The Resource Planning Act assessment for 1980 shows that, if current practices are continued unchanged, by the year 2000 this Nation will experience serious shortages of timber, recreation acreas, clean water, wildlife habitat, and many other benefits provided by productive forest land.

Historically, the private sector as well as local and State governments tend to concentrate on immediate and short-term requirements of society, with the Federal Government accepting more of the responsibility for national, interstate, and long-term needs. Forestry production as well as clean air and clean water are national concerns, and it is counterproductive to now retreat from that position that has been accepted both by Congress and the executive branch for well over 50 years.

It is predicted that by the year 2030 the annual use of softwood sawtimber will be 21 billion board feet less than the demand, because of inadequate supply. To supply the heavy demands the trees must be planted now—many already should be in the ground and growing. Unlike most agricultural crops, trees must be planted by one generation in order to provide benefits for the next.

Most of the potential for increasing future timber production lies with small nonindustrial ownerships. Industry and government forest lands are already producing at much closer to capacity. The present alarming trend, however, is for the private landowner to harvest his timber without making the necessary investments to reforest the cut over area.

It is estimated that in the South approximately 7 million acres of private land harvested since 1972 are already in this situation—cut over but no reforested—and it's estimated that 600,00 more acres are added to this category each year. Many private nonindustrial landowners are simply unable or unwilling to make the investments in reforestation without incentives to reduce the risk.

The States and private cooperative programs are aimed at providing those incentives. Through the State forestry organizations, the Federal Government can give the private landowner financial and technical assistance and protection from fire, insects, and disease. However, if these programs are to be effective in meeting long-term future needs, they require increased and sustained funding levels.

The administration's fiscal year 1984 budget for the State and private forestry programs reflects a drastic reduction in the Federal commitment to the protection and development of private forest lands. The reduction from $62 million currently to $25 million for 1984 will virtually destroy the Federal-State partnership for forestry. The proposed budget, if it prevails, will have a severe impact on the private nonindustrial ownerships. And these ownerships include the land specifically in the greatest need of reforestation and/or improved management.

The value of the cost-share funds which would be eliminated in the administration's budget goes far beyond the dollars provided. Their elimination would indicate a lack of concern on the part of the Federal Government as to the need to provide expanded forest benefits now and in the future, both for domestic use and export. The concern by the Federal Government for the resource, as demonstrated by providing cost-share funds—although they may be only a fraction of the amount needed—can and will bring added support from both the local and State agencies as well as from the private sector.

Mr. Chairman, I strongly urge you and the committee to maintain the funding for State and private programs, at least at the levels requested by the National Association of State Foresters as shown on the attachment.

## STATEMENT OF JOSEPH F. SEDLAK, NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

Senator McClure. We'll next hear from the National Center for Appropriate Technology, Mr. Joseph Sedlak.

Senator McClure. Thank you very much.

Mr. Sedlak. Thank you, Senator.

[The statement follows:]

## STATEMENT OF JOSEPH F. SEDLAK

Mr. Chairman, Members of the Subcommittee, my name is Joe Sedlak. I am the Executive Director of the National Center for Appropriate Technology, or NCAT, as it has come to be known. NCAT is a not for profit corporation headquartered in Butte, Montana. Since 1976, the National Center for Appropriate Technology has been dedicated to researching, developing and transferring simple, inexpensive technologies that help promote energy self-reliance in the United States. NCAT's special constituency has been low-income Americans for whom energy costs represent a disproportionately higher expense.

Until fiscal year 1981, NCAT's activities were funded primarily through grants from the Community Services Administration. In fiscal year 1982, Congress appropriated funds for the Department of Energy to provide technical assistance to the grantees in its Appropriate Technology Small Grants program and to disseminate useful information about these projects. NCAT secured a contract with the Department of Energy to provide most of these services. This contract enables NCAT to continue some of its operations while providing the Department of Energy with the means for informing the Nation about some excellent ideas for producing and saving energy. These ideas range from simple plans for "do it yourself" solar hot water heaters for less than $500 dollars to a sophisticated device which enable airlines to save millions of dollars by helping to plan in advance energy saving landing patterns.

Mr. Chairman, I wish to thank you and the Members of this Subcommittee for keeping alive in our national agenda the transfer of useful information and assistance in these small-scale technologies.

I wish to briefly report to you today the progress which has been made under this contract with the Department of Energy.

Since 1979, the Department of Energy awarded $33 million to two-thousand two hundred and twenty-nine (2229) individuals, small businesses, municipal and public agencies, universities and other interested parties. These grants were in the areas of: conservation, solar, biomass, wind, building design and rehabilitation, transportation and integrated technologies. Until recently, the Department of Energy had no exact knowledge about these projects; this is because the program was completely decentralized. I am pleased to report to you that, for the first time in the history of this program, we know now exactly what was awarded to whom, when, for what purpose, and for what amount of money. In addition, information about the results of this project and its state-of-the-art technical value will soon be available to the Department of Energy's regional and operations offices, State energy offices and other interested parties through another computerized program which we call ATMIS, the Appropriate Technology Management Information System.

Under this contract, we will also prepare thirteen (13) consumer-oriented publications, fact sheets about individual outstanding projects or technologies, and newspaper and magazine articles. Two publications have already been delivered to the Department of Energy for printing. The first publication, entitled "Appropriate Technology at Work", is an overview of the program and calls special notice to twenty (20) outstanding projects in the program - two in each federal region. Mr. Chairman, and Members of the Subcommittee, I think that you will agree after you have reviewed this publication, that Congress had indeed made a wise investment by funding this program and the current project to disseminate useful information about these projects to the general public.

The second publication deals with innovative municipal waste treatment ideas funded through this program. Other publications in this series now in various stages of preparation deal with:

- indoor air quality
- combustion air (concerns wood heat in airtight dwellings)
- air to air heat exchangers
- superinsulated house designs for new homes or retrofits of older homes
- solar greenhouses
- photovoltaics as remote region power sources
- solving moisture problems resulting from various weatherization techniques
- solar wood driers - and
- appropriate technologies in the Pacific Islands.

A number of standard marketing mechanisms will be used in the dissemination effort. For example, NCAT is developing a specialized list of national groups and trade associations that have the capability to publicize the availability of these publications through internal or external newsletters or magazines; three hundred of these organizations have already agreed to publish such information about these publications. In addition, NCAT will arrange for book reviews about these publications in various journals, magazines and newspapers. Information about each of these organizations is included in NCAT's resource-center.

The activities of this contract enable NCAT to add the wealth of information gleaned from the Department of Energy grants program to its own experience in researching, developing, field testing and transferring information about appropriate technologies. Thus, NCAT will have available for the country's use all relevant information about the federal government's investment in domestic appropriate technology, which totals $51 million ($33 million through the Department of Energy and $17.5 million through the Community Services Admininstration).

NCAT's goal is to continue to provide the quality information and assistance that energy consumers need to help themselves.

The Congressional appropriation for fiscal year 1983 will draw on this store of information about appropriate technologies in energy and conservation.

Thank you for the opportunity to update you on this program. Thank you again for continuing your support of these self-reliant technologies. Finally, we hope, as you decide the budget priorities for the Department of Energy in fiscal year 1984, that you will maintain funding for these important energy technologies for self-reliance..

## STATEMENT OF SUSAN GALLAGHER FREEMAN, CHAIRWOMAN, NORTH DAKOTA COUNCIL ON THE ARTS, REPRESENTING THE NATIONAL ASSEMBLY OF STATE ARTS AGENCIES

Senator McClure. Our next witness will be Mrs. Susan Freeman, representing the National Assembly of State Arts Agencies. Will you come forward, please. This is a particularly unusual day for North Dakota. We have here in the hearing room today the wife of the Governor, Barbara Olson; we also have the vice chairman of the North Dakota Council of Arts, Mrs. John Smith; and of course we have the stalwart Mrs. Freeman who's been before this committee before who's been a strong and effective representative of the arts. It's a pleasure to have you all here.

I might say that my colleague, Mr. Abdnor, would like to have been here but he had another hearing.

Thank you very much for excellent testimony. My colleague has arrived, Mr. Andrews.

Senator Andrews. Mr. Chairman, it's good to be here and my apologies for not being here earlier. We have a chairmen's meeting going on down the hall that I ducked out of to come here. Who knows, maybe in a couple of years my colleague, the senior Senator from North Dakota, may have to be sitting in on those chairmen's meetings but right now it's my responsibility.

Let me point out that you made an excellent statement. We're well aware of the great work that you and the Council on Arts are doing in North Dakota and I think it's a tribute to what we're doing and what talent we have in North Dakota that the overall group picked you to come down and be the spokesperson. That's a tribute to you and we appreciate you being here. We'll do whatever we can. If I get back to that meeting, Mr. Chairman, we might be able to slide a little money into the jobs bill for what we're considering right now. Thank you, Mr. Chairman; and thank you for coming down, Mrs. Freeman.

Mrs. Freeman. Thank you, Senator. I'd be happy to answer questions.

[The statement follows:]

## STATEMENT OF SUSAN GALLAGHER FREEMAN

As Chairperson of the North Dakota Council on the Arts it is an honor for me to appear before you on behalf of the National Endowment for the Arts.

I would like to speak to you today about four specific areas from which our Council has received aid from the National Endowment for the Arts in 1982; State Programs, Artists in Residence, Special Constituencies and Folk Arts. In each of these areas the National Endowment for the Arts has offered financial support as well as expertise and encouragement. All three have been invaluable.

In 1982 North Dakota received $282,700 in the form of a block grant from the State Programs division of the National Endowment for the Arts. With this money the Council provided grants to 109 arts organizations in 1982. Federal support of $299,160 was matched by community cash of $1,831,293-- a six to one match-- as well as by almost $600,000 in documented in-kind services, bringing the total matching ratio to 9:1.

These grants ranged in size from $150 to provide an art instructor to a small community group in Petersburg (population 230) to $15,000 each to three major cultural institutions--a museum, a theatre, and a symphony. In the latter case, the Council grant provided less than 8% of the revenue requirements of these organizations.

Documented attendance figures for the program indicate that 895,000 people attended arts programming in 1982 (North Dakota's population is 670,000) and that over 10,000 artists received employment and exposure as a result.

The Council also works with other city, county, and state agencies to expand programming in state parks, with county and state historical societies, and with state institutions such as the Grafton State School for the Handicapped, the State Hospital and the State Penitentiary to reach constituencies not included in regular programming in a cost-efficient manner.

Reaching children is one important aspect of the program. The International Music Camp, located in the International Peace Gardens on the North Dakota/Canada border, is supported in part by Council funds and gives summer employment to artists and arts experiences to children and young adults, and is a prime tourist site and an example of Canadian/United States cooperation.

In addition to these types of financial assistance, the National Endowment for the Arts funds allow the Council to provide technical assistance to arts groups and arts sponsors. The ADAPT program uses federal and state funds to assist arts groups with bookkeeping, marketing, and fundraising--activities necessary to make arts groups more self-sustaining. One of the most interesting fundraising activities was an arts auction held in the livestock auction ring in Bismarck, sponsored by the Bismarck-Mandan Symphony Association.

In FY1982 the North Dakota Council on the Arts received $50,990 from the Artists in Education Program. What began in 1971 with a $4,000 poetry program has grown to a multi-disciplinary artist residency program with a total budget of just under $150,000 in FY 1982 (Federal funds amounted to $50,990, State and Local matching funds amounted to $62,379, In-kind amounted to $32,995). Sixty artists, including architects, folk artists, dancers, musicians, visual artists, theatre artists, and writers, worked with nearly 18,000 students and more than 900 teachers and administrators.

In FY 1983 North Dakota's Artists in Education Residency Grant was reduced to $42,710, reflecting the decreased available Federal funds in the Artists in Education program. North Dakota reduced its dance residencies and eliminated its architects in residence program.

In many small rural communities this program provides a student's only contact with a professional artist. The decreased funds and opportunities have been missed.

The North Dakota Council on the Arts was also the recipient of a special grant from the Artists in Education program of the National Endowment for the Arts in 1982. The Council had applied for these funds to assist in developing a community/school arts studio in Bismarck, North Dakota, based on the successful Creative Arts Studio in Fargo. The proposal called for employing one full-time artist/manager, an additional full-time visual artist, a full-time string musician, and up to five visiting artists for periods of one week to one month. Artists would provide arts education opportunities to students, teachers, and community members, and would be provided with time, space, and equipment to pursue their own serious creative work at the studio. The Dakota West Fine Arts Studio is now in its seventh month. It occupies space in a downtown building and shows every indication of becoming a permanent asset in downtown Bismarck.

With funds granted by the Office of Special Constituencies at the National Endowment for the Arts, the North Dakota Council on the Arts, in cooperation with the North Dakota Aging Services and the North Dakota Humanities Council, sponsored a statewide arts and humanities exhibition for senior citizens called "Winter Wheat." 230 senior citizens submitted entries, and 63 pieces were selected for the statewide exhibition held at the State Library in Bismarck. The show is now on tour in North Dakota and is solidly booked through next October. Articles on the "Winter Wheat" exhibition have appeared in *Case and Counsel*, the publication of the North Dakota Human Services, and in *Collage*, the publication of the National Council on Aging. The show will be exhibited in Washington, DC during May at the request of the National Center on Arts and Aging.

The exhibition included a variety of art forms. One artist explained that he "tried to follow the theme of life cycles" by making drop metal sculpture napkin rings which included a plow, a man broadcasting wheat from a pail, three heads of wheat, a man with a scythe, a man raking wheat, and a sack of flour.

The two major goals of the project were (1) to give senior citizens an opportunity to display their work to the public and (2) to illustrate the role which senior citizens have played in shaping the life in their community, state, and nation. The jurist stated that "There is in their art a lot of the past. But also what is now and what is to come." One artist asked if the show would be done again next year; when she was told that it would probably be held biennially, she exclaimed vehemently, "Oh my goodness, I might not be around then."

The exhibition is also a fine example of cooperation between the public and private sectors. In addition to the hundreds of hours of volunteer time, additional funds for the project were provided by a bank, a local business, and a corporation. (Total cash budget: National Endowment for the Arts grant, $7,920; state funds, $5,764; other funds $4,118).

Finally in 1982 the North Dakota Council on the Arts received a special grant from the Folk Arts Program of the National Endowment for the Arts. This grant enabled us to publish a book entitled "Iron Spirits" which documented the history of the hand forged iron grave crosses made by German Russian blacksmiths between 1880 and 1940. I would like to quote from the introduction of the book:

This project is about the tradition of blacksmith made iron grave crosses, the people who made them and the communities they served. It is a story of hard work and faith. The crosses are a prolific and inspiring body of work by a small number of people and can be considered some of America's finest folk art. Through them we hope to understand and appreciate art and culture in a very fundamental way.

Blacksmithing is an epic occupation, fundamental to the development of our agricultural economy. The religious experience which these crosses symbolize is equally fundamental to our civilization. These two factors combine to form a body of art, a beautiful balance of the sacred and the secular, an achievement worthy of priase. The work that the iron crosses represent and the meaning they hold are an integral part of the foundation upon which North Dakota Society is established.

The story is predominantly that of the Catholic Black Sea German Russions, but also includes Catholic German Hungarians, Ukrainians, Poles and Bohemians, all of whom came to the steppes of the New World from the steppes of the Old, the Ukraine, Russia. These people settled throughout the Great Plains as well as the pampas of Argentina. The iron grave cross custom was brought with them from the old country and in North Dakota was practiced from the first arrival of immigrants in the 1880's through the 1940's.

The North Dakota Council on the Arts undertook the project because there was a need to document further this important form of American folk art and to express in a broad public manner the beauty and cultural value of the grave markers.

There is a need to protect the crosses. Many sites have been abandoned and ravaged by time and weather. Some communities are considering ordinances which would standardize cemetary markers and eliminate the iron crosses for maintenance purposes. Some crosses are in jeopardy of vandalism and theft. And the melting pot pressures of Americanization are still active, with families yet replacing the wrought-iron markers with contemporary stone monuments. Hopefully, through recognition and understanding of the crosses' cultural value, an awareness will surface which works to protect this unique folk art expression for future generations to know.

Several cemetaries containing iron crosses have been nominated to the historic register by the Council as outdoor museums and their preservation seems more likely.

I have spoken to you today of four very differant areas in which the National Endowment for the Arts has helped North Dakota. Although I do not have knowledge of specific projects undertaken by other states with the National Endowment for the Arts support I do know they are many and varied. I also know that your continued financial support of the National Endowment for the Arts is of primary importance to all our states and territories. It is an incredibly alive and vital organization, one which enriches the lives of all it serves and one which needs your continued support in the future.

## STATEMENT OF DAVE CIOFFI, ETNA, N.H.

Senator McClure. Our next witness is Dave Cioffi, landowner on the Appalachian Trail.

Mr. Cioffi. I appreciate the opportunity to be here. My name is Dave Cioffi and I'm from Etna, N.H. Our family is an affected landowner along the Appalachian Trail. Our family is the Stebbins family. I married Mr. Stebbins' wife and we live on one of the tracts which is 70 acres. I am here not to contest funds being appropriated but simply to ask you to insure that these funds are spent prudently, that when funds are spent you protect as much trail as possible with those funds and they not be spent maliciously to condemn property as is the case right now.

Our case is sitting over in the Justice Department. The papers have been filed and two tracts of our land are in the process of being condemned in fee simple.

Why is this land being condemned? I don't understand why. I think if you turn to enclosure No. 4 we have a map of our properties. The Park Service has made three proposals to us, none of which has been acceptable, the reason being that in all three proposals our land would be segmented or that the corridor be wider than it needed to be.

Our proposal that we would accept is to run the corridor along the boundary of our land and thereby we can continue to sugar, to do the things we need to do without worrying about going through a trail corridor. As it is now, the trail is hiked on the backside of our property. It's not quite on our property but it is closer to our back boundary than anything the Park Service has proposed.

Now in February 1982, and enclosure 16 shows this, our attorney wrote to the Park Service indicating that, yes, we were at a standstill but we were willing to negotiate with them because we really wanted to get the trail out on the back boundary. The Park Service, unfortunately, didn't reply to that letter until several months later when we received a letter from the acquisition office in Allentown, which is enclosure 17, indicating that our land was now undergoing eminent domain proceedings and we hadn't been aware that this was happening.

We contacted this Mr. Sprinkle and asked him if we could see the packet that he referred to in enclosure 17, the packet being information submitted to justify the condemnation of our property by the project director, Mr. David Richie. He wouldn't give it to us. Mr. Sprinkle wouldn't. Fortunately, at that time, and very extraordinarily I contacted Mr. Charles Cushman, the National Inholders Association, also the National Park System Advisory Board, a member of that. He was able to get this packet for us.

We looked through it and what we found was the information was twisted, that in some cases there were outright untruths in the information that had been presented to justify condemning our land. In fact, if you look at enclosures 18 and 19 from our Congressman Judd Gregg in New Hampshire, he replied to some information that I sent him. His office had been mentioned in this information that Richie had put together indicating they had taken part in negotiations and also he went further to state that if our land wasn't condemned perhaps our Washington delegation would be embarrassed because the Park Service didn't move forward with condemning our land.

The upshot of being able to see this information was that I put together a rebuttal. Mr. Cushman gave me the opportunity to put a rebuttal together, mail it to the Interior Department, which was then looked over by the Interior Department. They thought perhaps we had compromised the situation and that a meeting in Washington in the Interior Department was in order.

We came down to Washington, a friend of mine, a neighbor, and met with the Interior Department and Mr. Richie and a fellow that was running it, Mr. Goldman, up in our area, and they could not contest any of the information that I had presented in my rebuttal. In fact, in their written testimony they would simply say the National Park Service does not dispute this; the National Park Service does not dispute this.

Now at the Interior Department they put our case on hold. They asked the Justice Department to put it on hold another 30 days. We were asked if we could come back to our village in Etna which is part of Hanover and work with other mad landowners because there were six of us the Park Service hadn't settled with and the reason was they weren't listening to our concerns about our land.

We have since been working with these landowners. I presented to the Interior Department yesterday a map so they could get through our village. It is now being reviewed by the Park Service and the Interior Department. We see no reason why this wouldn't be acceptable because it will cost you much less than it would otherwise.

Several of us are willing to grant easements. Our family is willing to donate a 250-foot corridor. A couple other families also. All this is possible because Mr. Cushman of the National Inholders Association looked at the concerns of landowners. We hope that our proposal will be acceptable because in our family's case you would pay anywhere from $185,000 to $200,000 for this land and we're willing to donate the corridor and we think that your money should be spent prudently and not on condemnation when the Park Service refuses to listen to the concerns of the landowners. Thank you.

[The statement follows:]

## STATEMENT OF DAVID M. CIOFFI

We welcome the opportunity to appear before your Committee. Our family is an affected landowner along the proposed Appalachian Trail in Etna, New Hampshire, a subdivision of Hanover, NH. We are concerned that the funds you appropriate be spent prudently and not maliciously. We also want you aware of the deceitful and unjust tactics used by the National Park Service (NPS) and its allies in relocating the Appalachian Trail in Hanover. Because these tactics have alienated many landowners the cost of acquiring some lands might be significantly more than it needs to be. Your Committee should be cognizant of what is happening out in the field. If Hanover is an example of what is going on elsewhere the Appalachian Trail is in for a long and bloody battle. In the past the friendship of landowners was a must in routing the Trail. We are afraid this is not the case today.

At this moment the NPS is moving to condemn in fee simple two tracts of our family land (37 acres of 70; 37.3 acres of 65). Refer to enclosures #1 and #2. Since negotiations on our land started back in 1979 we have always been willing to allow the Trail on our land providing it is placed where it has the least impact on our use of this land. Recently we have indicated a willingness to donate a 250' Trail Corridor along our boundaries. See enclosure #3. Since 1973 the Trail has been in our backyard (the 70 acre tract) adjacent to but not on our land and closer to our back boundary than any of the three offers made to us by the NPS. See enclosure #4.

We often encounter hikers while working in our woodlot. On one occasion we transported an injured hiker to a local hospital. We ourselves hike and cross-country ski on the Trail. We are not enemies of the Trail. However we are vehemently opposed to a Trail Corridor that either segments our land or takes a 600' to 1,000' Corridor entirely from our land to avoid segmentation or because certain properties abutting ours have received special dispensation. It seems the Trail was supposed to be routed along property boundaries so that its impact could be shared by landowners. It was not the intent of the legislation to wreak havoc with certain landowners. One 65 acre tract abutting ours has been spared and not one acre is affected. Why? We think it was because in 1978 this landowner wrote a letter to the Project Director David Richie and convinced him that the Trail on his land would be a hardship he could do without. See enclosure #5. Shortly after this letter was written the Trail Corridor was moved entirely onto our land.

Dartmouth College is the largest landowner in Hanover. The Dartmouth Outing Club was used to map the relocated Trail although they have denied this locally. Enclosure #6 illustrates this. It is the testimony of Mr. Earl Jette, Executive Director of the Dartmouth Outing Club in front of the sub-committee of the Committee on Appropriations - House of Representatives on March 2, 1982. They used their influence to protect the land interest of the College. In Hanover the Trail does cross some of their land but it is either very rocky and steep or wilderness on the outskirts of town. Prior to the summer of 1978 the State of New Hampshire had the Trail mapped on the Dartmouth College Hudson Lot, a parcel with development potential. Around this time the NPS took over this Project from the State and relied exclusively on the Dartmouth Outing Club to map the Trail. Enclosure #7 shows the State-mapped Trail on this Hudson property. Somehow it was moved off of this property shortly after the summer of 1978. Enclosure #8 shows that the State had mapped the Trail on my neighbor's land which also miraculously disappeared after the letter in enclosure #5 was written.

The NPS also relied on local Conservation groups for advice on routing the Trail. Like the College, they used their leverage to protect their land interests, and even more, to place more land under public management. Enclosure #8a shows this. The land referred to has public hiking trails on it that, according to town reports when the land was purchased, was great for hiking, cross-country skiing, and nature walking. Enclosure #9 indicates that a good chunk of the money used to purchase one of these guarded parcels (46%) came from Federal Heritage Conservation Funds. Enclosre #10 refers to a meeting on July 13, 1978 regarding Moose Mountain. The acquisition of this 744 acre tract is a prime example of wasteful spending and the raping of a private landowner. The landowner was willing to allow the Trail on the west side of the parcel. But he was not pleased with a Trail Corridor running smack down the middle of the land because his holdings would be segmented. The NPS refused to compromise with the landowner. Realizing that the NPS could take the middle strip by eminent domain the landowner made the NPS buy all 744 acres. Substantially less acreage was needed and less money could have been spent if the NPS had considered the needs of the landowner.

Enclosure #10 also reports on a meeting on March 22, 1979. In this case, because a conservation group deemed it, a beaver pond was quickly added to the land grab scheme. Incidentally, the change made here accommodated the land interests of Dartmouth College. The Appalachian Trail Conference representative told me that the change was made so that access to potentially developable College land was not blocked.

In Hanover the NPS failed to deal forthrightly with landowners. Instead they used the Dartmouth Outing Club as a smokescreen. Enclosure #11 is the first letter our family ever received regarding the Trail on our land. Note it is on Dartmouth Outing Club stationery. The author of this letter was a NPS employee. We chose to ignore this letter. Enclosure #12 is a letter to another affected landowner. This time the author is Earl Jette, the Executive Director of the Dartmouth Outing Club. In this case he is trying to cajole the landowner into signing an agreement that would allow the NPS the right-of-entry to survey. Is this not a violation of a public law commonly referred to as the "Uniform Relocations Act"? The point is that in Hanover we never knew who we were dealing with and Dartmouth College was used to do the work that should have been done by NPS personnel.

In the Fall of 1979 we asked the NPS if they had seriously looked at alternate routes through Hanover. They admitted they hadn't mapped an alternate route but if landowners cared to they would look at it. Two of us (Kevin Cunningham and I) were given 30 days to map a route. We did and an environmental assessment of our route and the NPS (College) route was done. Enclosure #13 is the title page of this assessment. It was a sham. A kangaroo court was organized to assist in the environmental documentation. Most of these judges were members of organizations already on the record as opposing our route and some were the architects of the NPS route. Enclosure #14 lists these people. Enclosure #15 shows the form used to compile data on the hike. The column labeled "preferred" was used for the NPS route.

Despite all these shenanigans our family has been willing to allow the Trail on our land. In February 1982 our attorney contacted the NPS offering to negotiate a settlement (enclosure #16). This offer went unanswered. In November 1982 we received a letter from the NPS indicating that our land would be taken from us by eminent domain proceedings. (Enclosure #17). Shortly before this letter arrived we had made contact with Mr. Charles Cushman a National Park System Advisory Board Member. We explained our plight to him. He was able to secure for us a copy of the "record of negotiations, appraisal, and other material" referred to in enclosure #17. We found it filled with twisted information, bad documentation, and outright untruths. We documented our findings and sent our rebuttal to the Interior Department. Enclosure #18, from New Hampshire Congressman Judd Gregg, is an example of the false information used to justify condemnation of our land. Interior read our rebuttal and was convinced closer scrutiny was needed before our land was condemned. They instructed the Justice Department to put a hold on our condemnation until they investigated further. They called a meeting in Washington and invited me and my representatives and Mr. David Richie (Appalachian Trail Project Director) and his representatives. Whether or not our condemnation went forward depended on what transpired at that meeting. The result was our condemnation was continued on hold. We were requested to return to Hanover to see if we could work with other angry landowners and map a route through our properties acceptable to all. We are now doing this and are making significant progress. If we are successful it will mean your funds will not be used for lengthy and expensive condemnation proceedings. However if the NPS does not compromise there will be a mass condemnation of land in our village.

Why was our family singled out for condemnation? We think it was because we called the NPS, Dartmouth College, and local conservation groups to task for mismanagement of the Project. Enclosure #19 from a Dartmouth College attorney to former New Hampshire Senator John Durkin, a principal sponsor of the Appalachian Trail Bill of 1978, shows the intensity of the attack on our family and our neighbors the Cunninghams. To our knowledge this Mr. Clark has never set foot on any of our properties. If he had it would have been obvious we work our land.

Enclosure #19b and #20 indicate that we are not making outrageous demands by requesting the Trail be placed on our boundaries. Yet the NPS is moving forward to condemn in fee simple despite our willingness to negotiate. It was the intent of the legislation that eminent domain be used as a tool of last resort and not as a weapon to bludgeon landowners into submitting to outrageous demands made on them by the NPS.

Your Committee has the power to insure that affected landowners are treated justly and with consideration. Even trail hikers feel this should be done. See enclosures #21 and #22. If this is done the Trail can be placed soon and appreciable savings will result because landowners will cooperate. However if the procedures used in our village are allowed to continue, placing the Trail will be an arduous and expensive battle. Landowners and their descendants must live with the Trail forever so it is imperative our concerns are considered. It is the landowners that hikers will encounter as they hike from Maine to Georgia. This should be and can be a pleasant experience for all.

(NOTE.—The enclosures are being retained in the subcommittee files.)

### SUBCOMMITTEE RECESS

Senator McCLURE. Thank you very much.

This subcommittee now will be in recess until 2 o'clock this afternoon.

[Whereupon, at 10:18 a.m., the subcommittee was recessed, to reconvene at 2 p.m., this same day.]

(AFTERNOON SESSION, 2:05 P.M. WEDNESDAY, MARCH 2, 1983)

## NONDEPARTMENTAL WITNESSES

Senator MCCLURE. The committee will come to order. We have a long list of witnesses again this afternoon. Scheduled from 2 to 4, there are 24 witnesses to be heard in that 2-hour period. For that reason, we have asked that people submit their statements in writing, and confine themselves to 5 minutes in summary of their statement. I am sorry that that's necessary, but we simply must, in order to get all of the information in the hearing.

With that, I will call the first witness, the American Gas Association, Mr. Michael Baly.

### STATEMENT OF GEORGE LAWRENCE, PRESIDENT, AMERICAN GAS ASSOCIATION

Mr. LAWRENCE. George Lawrence, subbing for Michael Baly.

Mr. Chairman, thank you, and I am George Lawrence, president of the American Gas Association, and we certainly will confine our remarks to less than 5 minutes. If I might, Mr. Chairman, just kind of an overriding comment from the standpoint of the American Gas Association. Mr. Webb for the Gas Research Institute and Dr. Lee for IGT will in their 5-minute summaries get into some more of the details, but I would like to emphasize a couple of points in support—in very strong support—of our increased appropriations for gas-related R&D.

This is a very exciting time for this natural gas industry. We were, as you know, in a bit of a difficult time in the transition to a deregulated new gas market. We are very pleased that your committee is acting promptly on the administration and the other proposals that are before you, because time is of essence that we get on with that, and that's very important to us, and I know it is to you.

But I know it's also equally important to you, Mr. Chairman, that we keep our eye on the long-term goal. And as far as the long-term contribution of gas energy to this Nation's long-term energy policy, I think it has never been more recognized as to the contribution it can make. I say this for several basic reasons.

We have laid to rest the old cliche that we don't have an adequate resource base. Our long-term supply problems are either solved or solvable. We have got a pipeline delivery system that is the absolute envy of the industrialized world. We are getting sensible regulatory policies better in place than we ever have had them, at both the State and regulatory level, and one of the reasons for that is the fact that inflation is coming down, and as a regulated industry, we don't keep up with high rates of inflation.

There really are no public policy barriers to the contribution gas energy can make, but a very important factor, also, to our long-term contribution is our in-place and growing research capability. The Institute of Gas Technology has long been a contributing factor, but the Gas Research Institute is a creature since 1978, it is in place, it is making a contribution, and it is growing. We are asking for authorization—or an appropriation—of about a 30-percent increase over and above what we asked for last year.

The reason for that is last year we tried to stay right within the timeframe and the ability of the Gas Research Institute, our industry and IGT, to move on such things as tight sands, geopressure, the coal gasification, and conservation, and fuel cells. They—and I am sure Dr. Lee and Mr. Webb can make the point that they are on a better timetable now, and we can stand some modest increases in that.

But the main thing we want to underscore is we are asking for what amounts to a threefold increase, over and above what the administration has recommended for gas-related research, and we think this is very, very consistent with their own criteria that research sponsored by the Federal Government be high-risk research, something that the private sector is not willing to undertake, and something that has a tremendous potential.

Everyone of the gas-related research projects fall in that category: the coal gasification, the tight sands, the conservation, the fuel cells. We strongly recommend it and support it, and with that, Mr. Chairman, I think I will give you back a couple of minutes of the five.

Senator McClure. Thank you very much. I appreciate your testimony today.

[The statement follows:]

## Statement of George H. Lawrence

### INTRODUCTION

Mr. Chairman and members of the subcommittee, on behalf of the American Gas Association, I thank the committee for this opportunity to testify. AGA is composed of nearly 300 natural gas distribution and transmission companies seving over 160 million customers.

AGA urges this committee to assure an appropriation of no less than $146 million for gas-related research and development in fiscal year 1984. Adequate funding can be justified by scruitinizing the R&D funding criteria, the benefits of gas-related R&D, and the need for an R&D approach which strikes a fair balance between various energy sources.

### FUNDING CRITERIA

AGA agrees with the administration that the Federal Government should fund long-term, high-risk R&D which cannot be undertaken effectively by the private sector alone. We believe that the specific projects for which we seek support qualify.

These projects are large scale and involve very sophisticated technology; thus, they require a number of years to progress from the experimental to the operational stage. Taken alone, the long-term nature of this research discourages private sector investment—especially in a regulated industry.

Moreover, rate regulation imposes other disincentives. If a project is unsuccessful, the expenditures may be disallowed as "imprudently" made. This shifts the expense entirely to the shareholders. On the other hand, the benefits of a successful project are enjoyed only by ratepayers via reduced rates. Thus, the risk of receiving no return on R&D investment discourages devoting capital to such projects.

### BENEFITS OF GAS-RELATED R&D

Natural gas serves over half of both residential and commercial establishments in the United States and more of American industry than any other single fuel. Competitive price, cleanliness, availability, convenience, and efficiency all contribute to consumer demand, which we believe is a barometer of gas desirability.

Further, gas provides a secure source of energy because foreign developments do not disrupt our supply. Greater recovery through improved technology will improve supply security for residential customers and assure companies of the supply stability on which long-term business decisions often depend. AGA believes that energy source security and stability merit serious consideration even though world fuel supplies are currently plentiful. Overreliance on a foreign energy source, such as crude oil, may impair our national interests if foreign events abruptly cut off that source. Gas-related R&D helps to insure against such an event.

### NEED FOR BALANCED RESEARCH

The administration's fiscal year 1984 budget proposals, if enacted, would devote a high proportion of funds to a fuel which, in the foreseeable future, will provide a low proportion of primary energy consumed in the United States. That is, nuclear power consumption is quite low compared to other fuels, yet the proposal allocates over 50 percent of the R&D funds to this area. In contrast, fossile fuel supplies over 90 percent of U.S. primary energy use but receives only 5.2 percent of the funds in the administration's budget proposal.

In its action on the fiscal year 1983 DOE budget Congress corrected a similar imbalance and appropriated $311 million for fossil fuels.

### RECOMMENDED GAS-RELATED RESEARCH PROJECTS

A. *Coal gasification: $50 million, minimum.*—In-situ coal gasification could triple the Nation's economically recoverable coal reserves by obtaining energy from unmineable deposits, but directional burning and long-term controlled burning must be improved.

Waste by-products from the preparation of oil shale for processing could yield high-quality gas with improved technology.

Pressurized ash agglomeration, which has been proven in large equipment with bituminous coals, could be extended to yield additional methanol from lower rank coals (for example, subbituminous and lignite coals).

Design of fluidized bed gasifiers can be improved by a better understanding of the dynamics of high temperature and high pressure on fluidization.

Coal gasification system component development could provide better sealing equipment and, therefore, eliminate currently unavoidable loss of product gas.

Advanced gasification concepts (for example, reductions in the size and/or number of equipment items) could improve conventional gasification process designs.

Hot gas cleanup, via improved methods for removing corrosive acid-gas, could improve overall coal gasification efficiency and environmental acceptability.

B. *Unconventional natural gas: $32 million, minimum.*—Current production of Devonian shales has been limited to extraction of gas from around or below the shales; improved techniques for "fracturing" the shale would allow gas to flow through it more readily, increasing recoverable supplies.

Tight sands gas is currently produced in relatively small quantities. Improved hydraulic, chemical, and explosive fracturing methods would allow recovery of the 100–200 Tcf estimated to be economically feasible.

Horizontal fracturing of coal seams to release methane has proved to be unsatisfactory. Development of new and innovative production techniques could increase methane production.

Advanced sources of unconventional natural gas, such as gas hydrates and abiogenic methane, may have tremendous suppy potential if certain theories regarding their origin and extent are correct. Efforts to confirm these theories could yield an enormous supply payoff.

C. *Fuel cell technology: $20 million.*—By using an electro-chemical conversion process, fuel cells can save significant amounts of fuel in generating electricity. Improved technology would provide savings incentives for installation.

D. *Conservation: $16 million.*—Residential consumers can conserve gas with advanced gas prime movers, which provide both heat and air-conditioning, and industry can conserve through cogeneration. However, research is needed to make these and other measures more cost effective.

E. *Other: $40 million.*—AGA further recommends funds for various research programs not under this subcommittee's jurisdiction, including: $12 million for geopressured methane; $20 million for solar and biomass; $3 million for hydrogen; and $5 million for LNG safety.

Of specific interest to us, but not part of the R&D area, is the DOE weatherization program. DOE has requested only enough funds to terminate the program and assumes the weatherization needs of our citizens can be met through the low income energy assistance program. We oppose such action to the extent that it eliminates a Federal weatherization program and reduces funds available to pay fuel costs.

### CONCLUSION

AGA believes that all of the recommendations made herein are long-term, high-risk projects. Congress can provide a more balanced R&D program than the administration's budget proposal by appropriating funds in line with these recommendations.

Senator McClure. Next we hear from Georgetown University, Mr. William George.

## STATEMENT OF WILLIAM GEORGE, SPECIAL ASSISTANT TO THE PRESIDENT, GEORGETOWN UNIVERSITY

Mr. George. Mr. Chairman, thank you for the opportunity to testify. I would like—again, I am Father William George, special assistant to the president of Georgetown. I would like to give a brief progress report of the performance of the boiler, and make the request for, basically, three primary areas: one, some tube replacements, and I will explain what that is for; a demineralizer, which is necessary, I found out, for the turbine to work correctly; and agency fees, which is a major portion.

The boiler has been performing well since August 1982. We began using it a little more regularly, and it's sustained 3,800 hours, and it averaged about 64,000 pounds, though we really revved it up at the 625 psi for awhile, and it's beginning to meet its predicted design capacity of 80 percent—it's designed to be 83.7 percent efficient. It's over 80 percent right now, and it will get better.

The problem that we found with the boiler early on, through the first 28 months, was that the cinder trap would fill up at higher loads, and this would increase the gas velocity and eroded the boiler bank tubes, which we only found out after some of the tubes began to fail. That's been solved, and we now redirect the ash discharge from the cinder trap to the flue glass ducting, and we haven't had any problems with that, though tubes still continue to blow that were already clogged previously. The tubes should be replaced in April, when we take it down to sort of prepare the boiler for the heavy season in the summer.

The good news is that the—it's sort of becoming commercially viable. In some of the professional magazines, my engineers tell me there's now 120 locations for AFB boilers, and 12—our contractor that built ours now has 12 in the United States, and 18 outside the country. So we feel confident, you know, that it has done the effect of commercializing things, and we hope to do the same with the high-speed turbine.

The amount of the request I am asking is for a million dollars, and I have attached a complete breakdown of the specifics of that, and I thank you for the opportunity.

Senator McClure. Thank you very much. I think your experience illustrates the difficulties we have, and that is, no matter how you anticipate, there's some things that happen that you didn't anticipate.

Mr. George. Yes.

Senator McClure. Thank you very much for your testimony.

Mr. George. Thank you, Mr. Chairman.

[The statement follows:]

## Statement of Father William L. George, S. J.

Mr. Chairman, members of the subcommittee: I am Father William L. George, S.J., special assistant to the president of Georgetown University. I wish to give a brief report of the coal fired atmospheric fluidized bed boiler's performance and request funds for specific preparation and repair some damage to the boiler, the causes of which have been corrected. These repairs and preparations are necessary in order to insure the proper operation of the high-speed turbine when it comes on line (estimated cost of $1 million) and completes the AFB and turbine/cogeneration project.

The fluidized bed boiler performance since August 1982 has been the best since the unit began operating. During this period (August 4, 1982 to February 22, 1983), the unit sustained 3,815 hours of operation and produced 246 million pounds of steam for an average of 64,000 pounds an hour. On line utilization has improved to better than 80 percent.

Implementation of the cogeneration addition to the fluidized bed boiler approved by Congress is in progress at this time. The contract for the cogenerator is expected to be signed this week, and design of the building addition to house the unit has begun. Current plans are for the cogeneration to be operational by March 1984. It is projected that the cogeneration unit, which incorporates a highly efficient radial flow design, will produce approximately 10 million kWh annually.

The university has addressed and resolved several significant problem areas in the fluidized bed boiler program. One area of improvement was the installation of new baghouse last year that is currently exhibiting excellent performance. Another problem area was the flyash reinjection from the mechanical collector which we have improved to the point that the FBB is achieving predicted design efficiency. A third area is ash removal from the cinder trap in the boiler bank. Through the first 28 months of operation the cinder trap would fill up at higher loads because of a design deficiency in the system. The net effect of the trap filling was to increase the gas velocity in the boiler bank area which in turn was found to cause erosion to the boiler bank tubes. The problem was not detected until we experienced a tube failure. Subsequently the system was redesigned to redirect the ash discharge from the cinder trap to the flue gas ducting rather than back into the fluidized bed. In addition, the blower pressure through the ejectors was significantly increased, with the temporary addition of a high-pressure blower. As a result of the changes, the cinder trap has remained empty, however we continue to experience tube failures because of the erosion that occurred before being detected. The section of the boiler bank closest to the stoker (approximately one-fourth of the boiler bank tubes) needs to be replaced to assure long-run reliability of the unit.

Additional funding necessary to complete fully the fluidized bed boiler/cogeneration program is listed in attachment 1. The main items are the need to add a boiler water demineralizer and to replace eroded tubes in the boiler bank area. The demineralizer is required to assure chemical purity to prevent deterioration of boiler tubes and damage to the turbine wheel.

In April we will take down the boiler to prepare for peak use in the summer. This is the ideal time for certain repairs that would total $200,000. When the turbine is installed in November other preparations can be made totaling $460,000.

This project has proven the commercial validity of the atmospheric fluidized bed system. You can now buy one on the market. We anticipate similar success with the high-speed turbine cogeneration phase.

Thank you for supporting this project. This request will complete the Federal portion. The university will continue to suppy the Department with data on both the boiler and cogeneration.

### ATTACHMENT 1

*Additional funding requirements*

| | |
|---|---|
| Water demineralizer | $340,000 |
| Tube replacement | 175,000 |
| Modify ash removal system | 25,000 |
| Vacuum system | 45,000 |
| Spare parts—Cogenerator | 75,000 |
| Subtotal | 660,000 |
| Previously unanticipated agency fee on turbine | 200,000 |
| Subtotal | 860,000 |
| | × .20 |
| Anticipated agency fee | 172,000 |
| | +860,000 |
| Total | 1,032,000 |

FBB PERFORMANCE, JULY 1976–DECEMBER 1982

| Month | Hours | | | | |
|---|---|---|---|---|---|
| | 1979 | 1980 | 1981 | 1982 | 1983 |
| January | | 207 | 285 | 277 | 494 |
| February | | 256 | 419 | 560 | [1]496 |
| March | | 334 | 328 | 300 | |
| April | | 364 | 0 | 183 | |
| May | | 552 | 250 | 0 | |
| June | | 211 | 0 | 0 | |
| July | 16 | 191 | 0 | 0 | |
| August | 93 | 451 | 335 | 403 | |
| September | 104 | 564 | 0 | 641 | |
| October | 199 | 642 | 637 | 714 | |
| November | 360 | 55 | 415 | 329 | |
| December | 135 | 483 | 0 | 738 | |
| Total hours | 907 | 4,310 | 2,669 | 4,145 | 990 |
| Total steam (ooo lbs) | 33,300 | 170,000 | 136,900 | 266,000 | 65,000 |
| Average steam (ooo lbs/hr) | 37 | 39 | 51 | 64 | 66 |

[1] Thru February 22, 1983, 0800, operation continuing.

Senator McCLURE. Our next witness will be Mr. David Webb, the Gas Research Institute.

## STATEMENT OF DAVID WEBB, SENIOR VICE PRESIDENT, GAS RESEARCH INSTITUTE

Mr. WEBB. Thank you, Mr. Chairman. I am David Webb, senior vice president of the Gas Research Institute, which is the not-for-profit research arm of the gas industry to plan and manage and fund the gas-related research program. I am pleased to have the opportunity to appear here today before you to express the gas industry's views and recommendations on the need for a viable gas-related research program as a part of an integral budget of the Department of Energy's fossil energy and conservation research program.

The current softening of world oil prices, I think, provides the opportunity to pursue critically needed technology development in an orderly fashion, rather than on the crash basis that it had been approached in the past. We must seize this opportunity to establish and maintain the required technology base by funding a fossil energy program, fiscal year 1984, of approximately $320 million, or essentially the same levels appropriated by Congress over the last 2 years.

Within the fossil energy program, the gas industry is recommending a gas-related research budget of $90 million, and within the conservation program, a gas-related research program of $16 million. These numbers are essentially consistent with the appropriations in the past 2 years, and continue research projects that have been started. This is in direct contrast to the gas-related research funding proposed in 1984 by the administration in the fossil energy budget, where they only proposed $31.6 million, a drastic reduction from the $75 million appropriated by this committee and Congress just 2 months earlier.

I would like to point out the response of the gas industry through GRI to respond to the administration's R&D policy, increase our funding for near-term research, has been very rapid and impressive, I feel. GRI proposed to its board of directors a 1984 budget of $150 million, an increase of over 50 percent in just 2 years. Therefore, the gas industry as it steps up its funding for near-term research, must be acting as a partner with the Federal Government as they continue a viable program in long-term gas-related research.

This requires a total funding of approximately $106 million in fiscal year 1984 for these programs. Before I discuss some of the specific recommendations, Mr. Chairman, I would like to point out one quote from the Department of Energy's Energy Research Advisory Board report on energy R&D priorities that I think puts these in perspective. And I quote:

> A little over half our primary energy finds its way to consumers through the electric and gas utilities, and the utilities are regulated, price-controlled industries, selling their products not at free market prices, but at controlled prices well below replacement cost * * *. Both these regulated industries have weak incentives to spend on R&D. If successful, the benefits go to the ratepayers; if unsuccessful, the expenditures are disallowed as "imprudent."

DOE in their 1984 budget recognized this structural problem for the electric utilities by proposing a total electric-related research budget of approximately $1,450 million. In contrast, they ignored the same structural deficiencies in the gas utilities by proposing a gas budget of only $45.5 million in the total DOE program. While there are significant differences in the type of dollars required to fund research for electric versus gas, a ratio of over 30 to 1 is absurd.

We think this must be corrected through a sound gas-related long-term research program. Three specific areas I would like to discuss the supply that I think need funding in 1984. In the fossil energy program and surface coal gasification, gas industry is recommending $43 million. Within that $43 million, there is one or two advanced processes that should be continued, one of which we think is the joint program we have with DOE on the Westinghouse coal gasification process. To continue the program as currently contracted and planned would require $6 million of DOE funds in 1984, to be co-funded with $4 million of GRI and industry funds.

Underground coal gasification, we're essentially proposing $7 million, the same as in fiscal years 1983 and 1982. We think that a large-scale field evaluation of the controlled retracting injection point concept, CRIP, which was initiated in 1982, should be continued to prove out the feasibility of this concept.

Unconventional natural gas, we are recommending $20 million, which is an increase over the 1983 appropriation. This is in direct recognition of the National Petroleum Council finding that it has a cost of approximately $5 over 200 trillion cubic feet of additional reserves to be proved up with the development of advanced technology. I would like to point out the Gas Research Institute is proposing to fund $23 million of its own money for near-term research in this area.

Within the unconventional gas budget, two specific recommendations for programs that DOE should continue are the Eastern Mineback program in the Devonian shales at a cost of $6 million, and to complete the multi-well experiment in the west at a cost of $6 million. Mr. Chairman, we also think that they should provide a viable program in fuel cells and energy conservation. I appreciate very much this opportunity to testify.

Senator McClure. Thank you very much. On the top of the second page, you make reference to the DOE ERAB report. Could you give reference to that report number?

Mr. Webb. I can provide it for the record; yes, sir. In fact, I can get a copy of the report for you, if you would like it.

Senator McClure. Thank you very much.

[The information follows:]

## Statement of David O. Webb

I am David Webb, Senior Vice President of Gas Research Institute (GRI), an independent, not-for-profit scientific research organization created by the gas industry in 1976 to plan, finance, and manage an expanded and fully coordinated gas-related research and development (R&D) program for the mutual benefit of the regulated gas industry and its ratepayers. GRI submits an annual plan and five-year R&D program as part of a public procedure to the Federal Energy Regulatory Commission (FERC) for its review and approval.

I am pleased to have the opportunity to appear before you today to discuss my views and recommendations on the need for a viable gas-related research budget as an integral part of the Department of Energy's (DOE) FY 1984 Fossil Energy and Conservation Research Programs. The recommended gas-related research program and budget are both consistent with the Administration's stated energy policy and complement the current research programs funded by the gas industry. There is wide agreement that the U.S. will continue to rely on oil and gas for over 70 percent of its energy needs in the year 2000. If we don't take the steps necessary to develop the technology base required to use domestic resources, the level of oil imports will rise rapidly, again increasing our dependence on insecure oil from politically unstable regions. Two critical factors in reducing our vulnerability to oil imports are consistent federal research funding and the time necessary to develop the technology. The current softening of world oil prices provides us the opportunity to pursue this critical technology development in an orderly fashion rather than on a crash basis. To severely reduce federal funding for the long-term R&D required to develop these new gas technologies simply to help solve short-term financial problems not only severely restricts the development of critically needed new technologies but actually provides little if any assistance to the goal of reducing federal deficits.

We must seize this opportunity to establish and maintain the required technology base by funding a fossil energy research program for FY 1984 of approximately $320 million, essentially the same funding level as appropriated by Congress in FY 1983. The gas industry is recommending $146 million for gas research programs. Within the Fossil Energy Program, GRI and the gas industry recommend funding for gas-related research at a level of $90 million. A gas-related research program of $16 million is recommended in the DOE Conservation budget. These funding levels are consistent with previous actions of this committee and Congress and essentially continue critical cofunded research programs.

In recent testimony on the DOE budget, Secretary Hodel stated, "I believe that energy has an importance far beyond most commodities because directly and indirectly energy is significant to every aspect of the U.S. economy . . . Another belief I hold very strongly is that overreliance on any one energy source is unwise and that a balance among energy resources is needed." GRI agrees with these positions. However, for this policy to work and to prevent overreliance on any one energy source, DOE must continue to provide a stable funding base for long-term, high-risk gas-related research while industry is increasing its funding of near-term research. The gas-related research funding proposed for FY 1984 in the Fossil Energy Program is only $31.6 million, a drastic reduction from the $75 million approved by this committee and Congress just two months ago. The Administration's proposed FY 1984 gas research budget is counter to sound national energy policy.

The response of the gas industry to the revised government R&D policy has been rapid and very impressive. GRI will propose to its Board of Directors a 1984 budget of $150 million, an increase of 50 percent in two years. Therefore, as the gas industry through GRI continues to increase its funding for gas-related research with emphasis on the near-term in accordance with federal energy policy, it is essential that the DOE Fossil and Conservation Programs provide a stable base of funding of approximately $106 million in FY 1984 for critical long-term gas-related research.

### GAS TECHNOLOGY BASE

The gas technology base necessary to develop cost-competitive supplemental sources of gas and more energy-efficient processes and end-use equipment required to compete with alternative energy sources in the industrial market is not established and in place. DOE's Energy Research Advisory Board (ERAB) in a report to the Secretary of Energy put these factors in proper perspective in its report Federal Energy R&D Priorities. I quote:

> A little over half our primary energy finds its way to consumers through the electric and gas utilities, and the utilities are regulated, price-controlled industries, selling their products not at free market prices, but at controlled prices well below replacement cost.* The consequences are that consumers of gas and electricity have less of an incentive to conserve (and, therefore, to undertake research on conservation). . . . Both these regulated industries have weak incentives to spend on R&D. If successful, the benefits go to ratepayers; if unsuccessful, the expenditure may be disallowed as "imprudent."*
> *Emphasis added.

DOE in its FY 1984 budget request recognized this structural problem for the electric utilities by proposing a total electric-related research budget of approximately $1,450 million. However, they totally ignored the same structural deficiencies in R&D funding by gas utilities by proposing a gas-related budget of only $45.5 million in the total DOE budget request. While there are significant differences in the cost of electric vs. gas R&D, a ratio of over 30 to 1 is absurd. This imbalance must be corrected by funding a sound gas-related research program.

### RECOMMENDED GAS-RELATED RESEARCH PROGRAM

Without adequate continued federal funding for the long-term R&D needed to establish a sound gas technology base, supplemental sources of gas and more efficient processes will not become available at competitive prices. Discussed below are three important long-term areas of gas supply research that are consistent with the Administration's policy guidelines and require continued federal sponsorship and funding.

## Gas Supply Research

| | FY 1982 Appropriation | FY 1983 Appropriation | Gas Industry FY 1984 Recommendation |
|---|---|---|---|
| Surface Coal Gasification | $53.1 million | $39 million | $43 million |

Critical federal support at essentially last year's funding level is needed to continue basic research programs in improved catalysts, materials, components, and instrumentation since significant improvements in the economics of coal gasification can result from improvements in downstream processing systems which currently comprise about one-third of the installed plant investment. The joint DOE/GRI program on the advanced Westinghouse ash agglomerating fluidized bed coal gasification process should be continued through 1985. To continue the program as planned will require $6 million of DOE funds in FY 1984.

| | FY 1982 Appropriation | FY 1983 Appropriation | Gas Industry FY 1984 Recommendation |
|---|---|---|---|
| Underground Coal Gasification | $8.3 million | $6 million | $7 million |

Research should be continued by DOE to develop technologies capable of recovering unmineable coal reserves with both flat and steeply dipping geometries. Large-scale field evaluation of the controlled retracting injection point (CRIP) concept which was initially tested in 1982 should be continued. An expanded program in laboratory research to support the field test and initial evaluation of the feasibility of gasifying eastern bituminous coal should be conducted.

| | FY 1982 Appropriation | FY 1983 Appropriation | Gas Industry FY 1984 Recommendation |
|---|---|---|---|
| Unconventional Natural Gas | $11.5 million | $13.9 million | $20 million |

The National Petroleum Council's (NPC) estimate of an additional 200 Tcf of reserves through development of advanced technology for tight lenticular formations and Devonian shales places a high priority on this research. GRI is increasing its research budget for near-term work in these areas from $10.8 million in 1982 to a proposed $23.1 million in 1984. Federal funds at a level matching the gas industry's should support experiments that are unlikely to be conducted by industry but that could greatly enhance our understanding of these formations. Two specific recommendations are the Eastern Mineback Program in the Devonian shales ($6 million) and the Multi-well Experiment in the West ($6 million).

## Efficient Utilization Research

DOE has a continuing role in funding long-term research in the more efficient use of gas. Fuel cells and industrial processes offer great promise for significant improvements.

| Fuel Cells | FY 1982 Appropriation | FY 1983 Appropriation | Gas Industry FY 1984 Recommendation |
|---|---|---|---|
| Onsite | $ 5.6 million | $ 4.0 million | $ 6 million |
| Molten Carbonate | 9.6 million | 7.5 million | 11 million |
| Advanced Concepts | 4.2 million | 5.0 million | 3 million |
| | $19.4 million | $16.5 million | $20 million |

The gas industry and GRI have made a major increase in funding for onsite fuel cell systems in 1983 (from $11.3 million in 1982 to $19.6 million in 1983) to offset the loss of DOE funds in the manufacturing and field testing of 45 units. However, the continued funding of the required long-term technology development program to increase the reliability and lower the costs of these onsite systems is a federal role. DOE has contracted a four-year program for this research with the manufacturer, United Technologies Corporation (UTC), that requires $6 million in FY 1984 for work on the fuel cell stack, the fuel processing system, the inverter, and speciality heat exchangers. GRI has a parallel program with UTC concentrating on component technology. Together, these two programs provide a solid technology base. Also, continued long-term research is needed on advanced fuel cell concepts such as molten carbonate ($11 million) and solid oxides ($3 million).

| | FY 1982 Appropriation | FY 1983 Appropriation | Gas Industry FY 1984 Recommendation |
|---|---|---|---|
| Industrial Conservation | $12.48 million | $12.7 million | $16 million |

There is a continuing need for federal funding of basic technology development in the more efficient utilization of gas in the industrial sector since it is vulnerable to fuel switching to imported oil. As ERAB has reported, the manufacturing sector is so diverse that individual companies cannot capture the benefits of the R&D; therefore, the federal research role becomes critical. Specific technology-based research is needed on an advanced gas prime mover ($4 million), and industrial cogeneration ($4 million).

## SUMMARY AND RECOMMENDATIONS

A viable federal role requires a budget in FY 1984 for a long-term gas research program under the jurisdiction of this committee of approximately $106 million (as detailed in Table 1). It should be noted that this recommendation is consistent with the level of funds appropriated by Congress for gas-related research in FY 1982 and is approximately the same as appropriated by this committee and Congress just two months ago for the FY 1983 funding level. (See Table 2).

## Table 1

## RECOMMENDED FY 1984 DOE GAS-RELATED RESEARCH BUDGET
($ Millions)
(Interior Appropriations Subcommittee)

| | |
|---|---|
| Coal Gasification<br>Advanced concepts, fluidized and entrained bed PDU, catalyst, materials, instrumentation, components, gas cleanup, shale gasification, support technology, Great Plains | $ 43 |
| Underground Coal Gasification<br>CRIP, eastern coals, laboratory support | 7 |
| Unconventional Gas Resources<br>Tight sands (Lenticular), Devonian shale, coal seam methane, methane hydrates, abiogenic and subducted hydrocarbon | 20 |
| Fuel Cells<br>Onsite phosphoric acid technology development, molten carbonate, solid oxide, advanced concepts | 20 |
| Conservation<br>Advanced gas prime mover, industrial congeneration, desiccant systems, thermochemical recuperator, industrial catalytic burner applications, alternative fuels concepts (CNG) | 16 |
| TOTAL | $106 |

## Table 2

## RECENT CONGRESSIONAL APPROPRIATIONS FOR DOE GAS-RELATED RESEARCH
($ Millions)
(Interior Appropriations Subcommittee)

| Program | FY 1982 | FY 1983 | Gas Industry Recommendation FY 1984 |
|---|---|---|---|
| FOSSIL ENERGY | | | |
| Surface Coal Gasification | $ 53.1 | $39.0 | $ 43 |
| Underground Coal Gasification | 8.3 | 6.0 | 7 |
| Unconventional Gas Resources | 8.7 | 13.9 | 20 |
| Fuel Cells (Gas-Related) | 19.4 | 16.0 | 20 |
| Subtotal | $ 89.5 | $74.9 | $ 90 |
| CONSERVATION | | | |
| Conservation (Industrial) | 12.5 | 12.7 | 16 |
| TOTAL | $102.0 | $87.6 | $106 |

Senator McCLURE. Next witness will be the National Association of State Universities, Evelyn Armitt.

[No response.]

Senator McCLURE. Art Gittens?

[No response.]

Senator McCLURE. Mechanical Technology, Inc., Lloyd Lawrence.

## STATEMENT OF LLOYD LAWRENCE, MECHANICAL TECHNOLOGY, INC.

Dr. LAWRENCE. Thank you, Mr. Chairman for the opportunity to appear here today to present to you the progress in the automotive Stirling engine program for which we are requesting a $16 million appropriation for fiscal 1984, of which $13 million would go to the prime contract and $3 million would go to concurrent DOE and NASA programs.

As you will remember, Mr. Chairman, we began this program in 1978, basically starting with the Swedish technology in which the engines were too heavy, they were not efficient enough, they were too expensive, and were full of strategic materials. A contractual program was laid out with technical milestones leading to the goals of Public Law 95–238, and the contract was to end with the Mod 2 engine prototypes which would be of a configuration and capability such that industry could make a viable commercial evaluation of the concept.

I am pleased to report today that the program is on schedule, within budget, and meeting or exceeding its technical milestones. As a result of funding cuts, and other programmatic gyrations, the beginning of the Mod 2 engine was delayed until January of this year, and we have now begun the preliminary design and component development for the Mod 2.

A key goal of the program has been to involve industry. Thanks to this committee's initiative last fall, funds were provided to start this process by providing funds for engines which we—would be delivered to industry for their test and evaluation. NASA released an RFP for this, and has received positive responses from Cummings Engine Co., John Deere, and General Motors. The companies are required to spend their own money in this test, which is difficult, at best, in these times.

Ford Motor Co. visited us last Tuesday and spent the day with us. We felt that they were positive. They have not yet responded in writing to the RFP. A. M. General is on record in support of the program, which is to see the Mod 2 engine, because they feel that that will be the real proof of concept that they can look at for both military and commercial applications. Also, the United Auto Workers have sent letters of support. The engines for your program will be delivered in the first and second quarters of fiscal 1984. We have just received $700,000 of the money which you reprogramed, and a go-ahead to begin procurement of those engines. The engines will be Mod 1 engines, not Mod 2 engines, but they will provide a preliminary start for us to begin working with industry. They will allow familiarization and technology transfer as we proceed through the Mod 2 engine.

As stated clearly in the contract work statement, Mod 2 is expected to achieve the contract's goals and be the proof of concept showing that Stirling engines are viable for automotive applications.

In conclusion, this committee's support has been critical to bring this program this far. It would not be in the Nation's best interest to destroy everything we have accomplished together before the program's goals have been achieved. We request that this committee continue to work with us to a successful conclusion of this effort. Thank you for the opportunity to testify today.

Senator McClure. Thank you, Dr. Lawrence. Can you give me an estimate of what the total completion cost would be for the Mod 2 engine?

Dr. Lawrence. Yes, sir. The contract itself is $89 million, of which we have received $62 million to date, and if we looked at what's needed in fiscal 1984 and projected ahead to fiscal 1985, those 2 years together would be something less than $30 million.

Senator McClure. Would that run over the $89 million?

Dr. Lawrence. It depends, honestly, Mr. Chairman, on whether or not we are able to get the industry to cost share with us in fiscal 1985 and 1986. At this point, due to the delays, our projection is if the Government were to do it all there would be about $6 million in additional to the $89 million to complete the program. We hope to be able to get industry involvement by that time so you won't have to.

Senator McClure. Thank you.

[The statement follows:]

## STATEMENT OF DR. L. R. LAWRENCE, JR.

Mr. Chairman, members of the Subcommittee, my name is Dr. L. R. Lawrence, Jr., and I am Director of Technical Development for Mechanical Technology Incorporated (MTI). MTI is a high-technology research, development, and manufacturing company located primarily in New York State, with wholly-owned subsidiaries in Michigan and California. MTI employs approximately 900 people of which about 110 are engaged in the development of both kinematic and free-piston Stirling engines for a variety of applications. MTI formed this team in response to a national need for this advanced, energy-efficient technology which is also being explored in Europe and Japan. MTI employs the largest group of Stirling engine specialists in the world. They are supported by unique test facilities as well.

At this time, we are working on an automotive Stirling Engine (ASE) contract which extends through 1984 with total target funding of $89M. To date, we have expended $62M on this contract. The ASE development program is funded by the Department of Energy under Title III of Public Law 95-238. The project management of the program is accomplished by the NASA/Lewis Research Center which has recently given this program an evaluation of "outstanding" in every respect. This is the highest possible evaluation level.

I am requesting an appropriation level of $16M for FY '84 to be applied to this program. The goals of the program are being met and there is growing industry acceptance of the Stirling engine. Illustrative figures are included at the end of this testimony.

The in-place contract contains goals and a work scope including two engine generations - Mod I and Mod II. The FY '81, '82, and '83 budget reductions have altered both the size and timetable of the original program. These reductions delayed the start of the Mod II engine program from 1981 until January of 1983. In order to meet the legislated goals in a timely fashion, FY '84 will be a year in which we finalize the detail design of the Mod II engine system and procure engine hardware - hence, our request for a FY '84 appropriation of 16 million dollars. We expect 13 million dollars to be allocated to the prime contract from these funds, with the other $3M going to DOE and NASA for concurrent work.

### NATIONAL BENEFITS

The national benefits resulting from a successful ASE Program are multifaceted:

1. Technology Expansion

   A developed Stirling Technology will provide American companies a wide variety of applications in addition to automotive, including heat pumps, farm machinery, electric generators, military, and solar power.

2. Employment

   Through the introduction of Stirling Technology into American products, new jobs in manufacturing and services, as well as an increase in associated trade employment would result. Assuming broadness of market introduction and penetration, as many as 2,000,000 new jobs could result or be protected. A positive balance of trade increment would ensue.

3. Security

   The multi-fuel capability of the Stirling engine can provide personal and national security in times of petroleum dislocation.

4. Pollution

   The Mod II engine will meet the 1985 emission standards as presented in the Clean Air Act which will contribute to the national effort to upgrade the environment. The exhaust gases of a Stirling engine are so clean that when installed in a vehicle, no catalytic converter is required.

5. Conservation

   The Mod II engine will provide at least 30% better fuel economy than internal combustion engines, thereby providing significant improvement in our nation's ability to conserve energy. This improvement is strictly due to engine performance and is independent of any aerodynamic and/or downsizing changes.

6. Noise

The Stirling engine makes considerably less noise than conventional engines without any attempt at noise abatement. For example, a Stirling engine does not require a muffler when installed in a vehicle.

## SUMMARY OF FY '82 ACCOMPLISHMENTS

In spite of budget uncertainties and funding cutbacks the ASE program has continued not only to meet scheduled milestones and technical goals, but also to attract the interest of industry. Neither a cost overrun nor underrun exists. The following is a summary of the major accomplishments achieved during 1982.

- Last fall this Committee reprogrammed $1M to provide potential manufacturers with engines to test. We are pleased to report two automotive companies and two major engine manufacturers have shown interest in becoming involved in the evolution of the Stirling engine technology through acquisition of a Mod I engine or a Stirling engine vehicle. This interest is very preliminary, and 1984 will be a year in which we start working with potential manufacturers to familiarize them with the technology. At the end of the Mod II program, enough data should be present for industry to make a commercial decision regarding the Stirling engine.
- Manufacturing cost, based on the computerized Reference Engine (Mod II) system design, was reduced to a level that would be competitive with current automotive internal combustion and diesel engines.
- The Mod I was upgraded to contain certain technologies to be embodied in the Mod II, thus completing the first phase of the Proof-of-Concept Program.
- The major program milestone to test and fully characterize the transient behavior of a Mod I engine was completed on schedule by September 30, 1982.
- Over 1300 engine test hours were accumulated on the four (4) Mod I engines in the program bringing the total engine test hour level to 1800.
- Critical component and technology development efforts were initiated in ceramic heat exchangers, seals, mechanical systems and controls for inclusion in the Mod II.
- Strategic material content, a long-term problem in Stirling engines, has been reduced to a level comparable to that found in current automotive engines.

The Mod I was the initial phase of the ASE program during which a first generation automotive Stirling engine was designed and tested successfully. The differences between the Mod I and Mod II engine systems are large when the following are taken into consideration: manufacturing cost, specific weight, simplicity, size, fuel economy, automotive configuration, American technology, etc. Some of these differences are presented in the figures attached to this testimony.

## FOREIGN COMPETITION

There is strong evidence that foreign governments and companies are actively pursuing the development of Stirling engine technologies. This topic was addressed in MTI's testimony before this Subcommittee last year, including a translation of a newspaper article on Japan's "Moonlight Plan". It is known that major development efforts are underway not only in Japan, but also in France, West Germany and Sweden.

## CONCLUSIONS

Based on the successful progress to date, the promise of the Mod II, the need to complete technology transfer, and the emerging commercial interest, FY '84 program continuation has been recommended by engine companies (Cummins & Deere), automotive manufacturers (AMC and GM), and the United Auto Workers. It is our hope that this Committee will continue its support of this program by funding the Automotive Stirling Engine program at the required $16M for FY 1984.

In conclusion, Mr. Chairman, I would like to summarize by stating the following:

1. The ASE program is a successful example of the type of program that should be supported by the Federal Government to address major national needs.
2. The original goals of Title III of Public Law 95-238 are still valid and in the public's interest. They will be met with the Mod II engine.

3. During FY '84 the required technologies will have been developed to the point where a Mod II engine system could be built and tested to meet these goals, thereby providing a technology level that can be assumed by the U. S. industry at the end of the program.
4. There is no evidence that U. S. industry is in a position to pursue development of Stirling technology without substantial Government support.
5. Stirling engine technology is receiving increased attention and support by foreign governments and companies which may lead to a broad array of energy-efficient products that could cause further domestic economic dislocation in the United States if we are not first.

Thank you, Mr. Chairman, for this opportunity of appearing before this Subcommittee. I would be pleased to answer any questions which you or other members may have at this time.

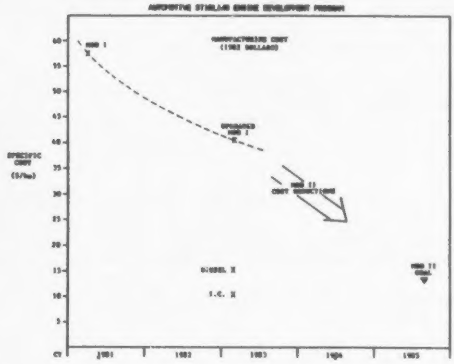


FIGURE 1

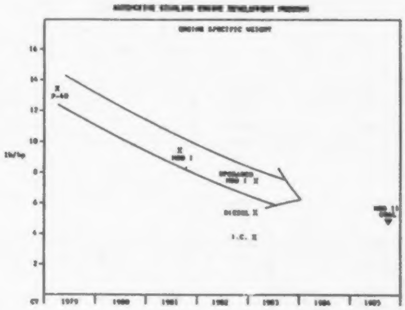


FIGURE 2

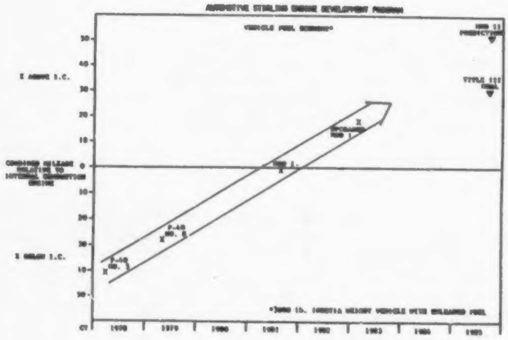


FIGURE 3

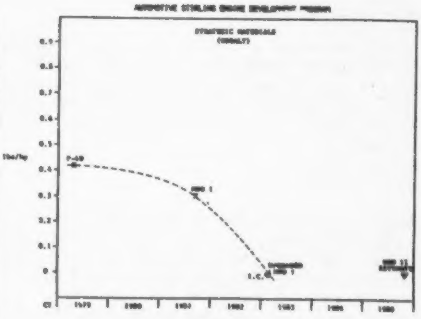


FIGURE 4

Senator McClure. We will next hear from the Institute of Gas Technology, Mr. Fred Zerkel.

Mr. Lee. Sir, you have a pinch-hitter again.

Senator McClure. That's all right.

### STATEMENT OF BERNARD LEE, PRESIDENT, INSTITUTE OF GAS TECHNOLOGY, CHICAGO, ILL.

Mr. Lee. I am Bernard Lee, pinch-hitting for Fred Zerkel, president of the Institute of Gas Technology, a not-for-profit energy R&D organization in Chicago.

I would like to take a second to call for a sustained policy for excellence and leadership in energy technology, which is needed in this country, and then working toward maintaining that leadership position once we get there. We feel that that the absence of such a policy has caused regular, predictable, disruptive, and wasteful oscillations in the past in our energy development effort. We feel that no one asks why we should be preeminent in national defense, because we will never think of importing any major portion of our energy technology or defense technology. Our national commitment to public health and agriculture has brought us the best health care system and the most productive agriculture in the whole world. Now, even though both industries are well established, we continue, as we should, to fully support them at the Federal level in order to maintain that position.

However, we seem to be unwilling to strive for a similar leadership position in energy technology. The central goal for any long-term energy policy should be to make our Nation invulnerable to the loss of energy imports. Despite the current OPEC disagreements, the cartel will stay and will grow strong again as soon as the world economy recovers. We feel this is no time to slacken our efforts to develop the energy technologies needed for a stable future. We must continue to stress efforts to develop indigenous resources and to use energy more efficiently. To solve long-term energy problems, continuity of support is critical. The private sector could not and should not shoulder the major responsibility for planning or funding R&D in areas of national concern and we all agree that energy is most certainly a national concern.

The Federal R&D budget for fiscal year 1984 shows steady support for public health and agriculture and a huge increase for defense—but nondefense energy R&D is already substantially reduced, and in particular, the nondefense, nonnuclear energy R&D budget is less than half of the fiscal year 1983 level, which itself was already minimal. Especially glaring is the overwhelming emphasis on nuclear R&D at the expense of nonnuclear. This imbalance is totally out of step with the realities of the foreseeable future, in which most of our Nation's energy supply will have to come from nonnuclear sources.

I am very concerned, also, about the R&D and commercialization of new technologies. The fiscal year 1983 budget directives stress support for research up to and including process research unit scale, which itself fell short of bridging the gap to commercial acceptance.

Now, the fiscal year 1984 budget directives further widen the gap to commercialization by instructing no funding of research activities past the proof of concept at the bench scale level. As the result of omitting such critical links in technology development, the Government will not receive an adequate return on its investment in energy R&D from previous years.

For fiscal year 1984, to restore some balance between nuclear and nonnuclear R&D programs, we support the gas industry's recommendations for $146 million in DOE appropriations for gas-related R&D, comprising in the major categories, some $50 million for gasification, $32 million for unconventional geopressurized gas, $20 million for biomass, $20 million for fuel cells, $19 million for conservation, $5 million for LNG safety.

In closing, I would like to mention several specific programs recommended by IGT. Eight million dollars in coal gasification supporting research to learn more about the coal constituents and ash chemistry, to obtain fluidization data, to improve feedstock characteristics and to transfer R&D results to the technical community; $2 million to develop in an existing facility the CFFR process for extracting energy from oil shale fines that are now discarded; $2 million to complete a test program in thermochemical conversion of biomass to synthesize gas using existing pressurized fluid bed systems built with DOE funds; $4 million to use existing facilities to enhance the technology base of molten carbonated fuel cell programs through the evaluation of components, prototype endurance, contaminant effects, and electrolyte preparation; and finally, two promising approaches to industrial conservation: one for $3 million to develop thermochemical recuperation of high-temperature waste heat; and the other for $2 million to develop an advanced catalytic combustor system.

I thank you very much for the opportunity, and would be happy to answer questions.

Senator McCLURE. Thank you very much. What are you referring to in the biomass area, the gasification of woody biomass?

Mr. LEE. Yes; the wood is a very difficult thing to convert, as you know, and we have found—we think—the first innoculum that when applied to wood could cause that wood to be susceptible to conversion without a first chemical pretreatment of the wood. This technology, we feel, deserves attention, because it could enhance and advance the state of knowledge of direct conversion of woody biomass to useful energy forms.

Senator McCLURE. Could you submit some information with respect to that, if it is not included in your attachment? Or is it included in the attachment?

Mr. LEE. I will be happy to add that to the record, and submit it for the file.

Senator McCLURE. Thank you very much.

Mr. LEE. Thank you very much.

[The statement follows:]

## STATEMENT OF BERNARD S. LEE

This testimony pertains to fiscal year 1984 Department of Energy's nonnuclear R&D appropriations. IGT supports the gas industry recommendation for $146 million for gas-related R&D. This total comprises: $50 million for gasification; $32 million for unconventional and geopressured resources; $20 million for biomass; $20 million for fuel cells; $19 million for conservation; and $5 million for LNG safety.

My name is Bernard S. Lee. I am president of the Institute of Gas Technology, a not-for-profit, energy R&D organization in Chicago.

I would like to make some observations of our national attitude toward energy R&D, in particular, toward striving for excellence and leadership in energy technology and then maintaining that position. I am deeply disturbed by the absence of a consistent and sustained national policy in energy R&D. This absence caused regular, predictable, and highly disruptive and wasteful oscillations in our technology development effort.

No one asks why we should be preeminent in national defense, because we would never think of importing major portions of our defense technology. Our national commitment to public health and agriculture through well-funded and sustained efforts have brought us the best health care system and the most productive agricultural industry in the world. Even though both industries are well established, we continue, as we should, to fully support them on the Federal level in order to maintain our position of leadership.

But we seem to be willing not to strive for a similar leadership position in energy technology. Long-term energy policy should be directed toward controlling energy imports at a level at which the loss of such imports will have a minimal impact on the American economy and our national security. Despite the current OPEC disagreements about pricing and production quotas, the oil cartel will remain and will grow strong again as soon as the world economy recovers. This is no time to slacken our efforts to develop the energy technologies needed for a stable future. The only way to do this is to adopt a national energy policy which stresses the use of indigenous resources, conservation, and more efficient use of energy. To effectively carry out such a policy necessitates making a long-term commitment to energy R&D on a scale large enough to meet the goals. To make any appreciable progress in solving long-term energy problems, continuity in government support for energy R&D is critical. The private sector could not, and should not, shoulder the major responsibility for planning and funding R&D in areas of national concern, and energy is most certainly a national concern. The Federal R&D budget for fiscal year 1984 shows steady support for public health and agriculture, and a huge increase for defense. Nondefense energy R&D is substantially reduced, and, in particular, the nondefense, nonnuclear energy R&D budget is less than half of the fiscal year 1983 level, which itself was already minimal. Especially glaring is the overwhelming emphasis on nuclear R&D at the expense of nonnuclear. This imbalance is totally out-of-step with the realities of the foreseeable future in which most of our Nation's energy supply would have to come from nonnuclear sources.

I am greatly concerned about current Government policy which further widens the gap between research and development and commercialization of new technologies. The fiscal year 1983 budget directives stress support for research up to and including process development unit scale, which itself fell short of the desirable goal of providing sufficient data for commercial development of processes by industry. Now the fiscal year 1984 budget directives further widen the gap to commercialization by instructing no funding of research activities past proof-of-concept at the bench scale. As a result of omitting such critical links in technology development, the Government will be unable to receive an adequate return on its investment in energy R&D of previous years.

For fiscal year 1984, to restore some balance between nuclear and nonnuclear R&D programs, I support the gas industry recommendation for $146 million in DOE appropriations for gas-related R&D. Specific recommendations for programs within this total are detailed in attachment 1 of this testimony. I will highlight a few areas below.

### GASIFICATION

Of the $50 million gasification program recommended by the gas industry, in coal gasification the emphasis should be on supporting research that develops technology and assembles data that have broad applications. For this, $8 million is recommended to obtain data for the behavior of coal ash and coal constituents during gasification, to obtain process data on fluidization and gas cleanup, to improve feedstock characteristics, and to transfer R&D results to the technical community. A $1 million program is recommended to extend the ash agglomeration technique to higher pressures and to lower-rank coals using an existing process research unit capable of operation up to 500 psi.

In all current oil-shale processes, the fine particles produced during mining and feed preparation are discarded as a waste product. IGT recommends $2 million for the development of countercurrent free-fall retorting (CFFR) of shale fines using an existing bench-scale facility. This process is applicable to eastern and western shales, and has the potential for improved energy efficiency, resource recovery, and environmental compatibility.

### UNCONVENTIONAL AND GEOPRESSURED RESOURCES

This $32 million program encompasses research in tight sands, Devonian shale, geopressured methane, deep-source methane, gas hydrates, and methane from coal seams. All these areas require much research and development before these tremendous energy resources can be tapped efficiently and economically. In particular, we highlight a new approach for enhancing the recovery of methane from coal seams which is theoretically more effective than hydraulic fracturing to stimulate gas flow. A $1 million program is recommended to initiate work to stimulate gas flow by relieving built-in stresses in coal seams via controlled and limited combustion to remove very small amounts of coal.

### BIOMASS

The $20 million biomass program recommended by the gas industry includes research and development in the thermochemical and biological conversion of biomass, the conversion of waste, the growth and harvest of biomass, and the establishment of several biomass regional centers. We highlight a $2 million recommendation to complete a test program for thermochemical conversion of biomass in an existing pressurized fluidized bed reactor system. On the biological conversion side, we highlight a $1 million recommendation to thoroughly study the first known inoculum which can gasify woody biomass without pretreatment.

### FUEL CELLS

The $20 million fuel cell program recommended by the gas industry includes support for first-generation phosphoric acid fuel cell, second-generation molten carbonate fuel cell, and other advanced concepts. In particular, the molten carbonate fuel cell system has potentially the best combination of performance, efficiency, and cost to capture a significant portion of several end-use applications. A multi-year program with $4 million in fiscal year 1984 is recommended to enhance the technology base which focuses on using existing facilities for evaluating components, testing prototype endurance, measuring effect of contaminants, and preparing electrolytes in a controlled environment.

### CONSERVATION

The $19 million conservation program recommended by the gas industry includes a number of areas. We highlight two promising new approaches to industrial conservation. The first is thermochemical recuperation of high-temperature heat from industrial furnaces to preheat combustion air, for which a $3 million program is recommended to develop a subscale facility to evaluate design parameters, conversion rates, low-cost catalysts, and materials compatibility. the other is an advanced combustor concept for industrial applications that locates the heat exchange surface directly in the combustion zone and uses catalysts supported on these surfaces for combustion. A $2 million program is recommended to study a prototype design of this concept.

Hyrdogen research through thermochemical and thermoelectrochemical cycles using nuclear fusion, fission, or solar energy as the high temperature heat source is recommended in a $3 million program, of which $1 million is assigned to evaluating three promising hybrid hydrogen cycles based on copper, zinc, and cadmium chemistry.

Thank you for the opportunity to present my views. I will be happy to answer questions.

Senator McClure. American Association of Museums. Thomas Leavitt.

## STATEMENT OF THOMAS LEAVITT, DIRECTOR, HERBERT F. JOHNSON MUSEUM OF ART, CORNELL UNIVERSITY, AND PRESIDENT, AMERICAN ASSOCIATION OF MUSEUMS

Mr. Leavitt. Thank you for the opportunity to testify on behalf of the Federal agencies that support museums. My name is Thomas Leavitt. I am director of the Herbert F. Johnson Museum of Art at Cornell University, and president of the American Association of Museums, a national service organization with a membership of 7,000 museums, professional museums—museum professionals and trustees. The program of the Institute of Museum Services and the Arts and Humanities endowments have had a tremendous impact on our society and I am here to support increased funding for all three agencies, and also to request some special consideration of items of concern to us.

We are gratified that this year the administration has requested only 14 percent cuts in the two endowments, instead of the 50- and 30-percent cuts that were—have been requested in the last 2 years, but the erosion of the programs would be a serious loss to the country and we strongly feel that the budgets of the two endowments should be increased substantially this year.

It's encouraging to museums to know that after 2 years of attempting to eliminate the Institute of Museum Services through zero budgeting and through rescission attempts that the administration is sufficiently convinced of the value of the Institute's programs to request an appropriation for it in fiscal 1984, and that that appropriation is virtually equal to that of the past year.

I think that the support of this committee and the support of the Congress on the whole has been largely responsible for this change in attitude of the administration, and we hope that the committee will continue to support both the Institute of Museum Services and also the two endowments, during the coming year.

We would like to—the American Association of Museums would like to request special consideration of priorities expressed in the budgets of the agencies submitted for the coming year, especially in the National Endowment for the Humanities and the Institute of Museum Services. In the Humanities endowment request, the museums and historical organizations budget has been—would be funded at a level that is proportionately much lower than the 14-percent cut requested overall.

If the present request is sustained, the museum program would be cut by almost 30 percent. It's a major reduction in the program that supports exhibitions and educational activities aimed at the general public. Museums have provided the public with a level of accessibility to the study and enjoyment of the humanities that should be strongly supported by the Endowment.

The Chairman of the Humanities endowment has stated that he supports the requests made by the administration because, quote, "it makes sense, and because this agency has had too much money in the past, it's had to scramble in the past to find ways to spend it," he said. We strongly disagree with that assertion, in respect to the museum program, the division of general programs in which the museum program is located.

The Endowment should be actively seeking new applications of high quality and not just passively waiting to see what comes in, if the leadership role for the Endowment to play, if public appreciation of the humanities is to grow, and if primary institutions in the humanities are to be supported. We hope that the committee will recommend funding for the programs that serve museums and the general public at a level substantially higher than the one requested.

We at the American Association of Museums are also very concerned about the priorities of the Institute of Museum Services as they are reflected in the budget request. While we are encouraged that the administration has requested funds this year for the Institute, we are particularly concerned about the gradual erosion of the general operating support funds that the Institute provides, from a little, from $10 million, $155 million in 1982, down to $9.9 million this year, and we hope that it will be possible to look at that very carefully and to increase it in the future.

Senator McClure. Thank you very much. I know that Ms. Tower has been somewhat frustrated by her attempt to get information which she felt was necessary to development of the administrative program, her administration of the program as well as justification for the budget requests. That has somewhat improved. I hope it will continue to improve. To the extent that your association can do so, I would hope that you would exert you influence to assist her in getting that information.

Mr. Leavitt. We try, in every way, to supply the information that she requests.

Senator McClure. Yes. Thank you very much.

[The statement follows:]

## STATEMENT OF THOMAS LEAVITT

Thank you for the opportunity to testify on behalf of the federal agencies that support museums. My name is Thomas Leavitt. I am the director of the Herbert F. Johnson Museum of Art at Cornell University and the President of the American Association of Museums, a national service organization with a membership of 7,000 museums, museum professionals and trustees.

The programs of the Institute of Museum Services and the Arts and Humanities endowments have had a measurable impact on the quality of museum operations, programs, and services to the public. The members of this committee have been instrumental in preserving the effectiveness and integrity of these agencies through your support for adequate levels of appropriations in a time of reduced federal spending. The museum community is grateful for the committee's efforts to ensure the vitality of the arts and humanities in this country.

This year the Administration has again requested cuts in the budgets of the Arts and Humanities endowments. If there can be said to be a bright side to the request for budget reductions, it is that only a 14 percent cut has been recommended rather than the 50 and 30 percent cuts of the last two years. For the museum community, there is a more clearcut cause for celebration in the Administration's recommendation to maintain the Institute of Museum Services with a budget request that provides virtually level funding in the coming year. It is indeed encouraging to museums to know that after two years of attempting to eliminate IMS through "zero" budget and rescission requests the Administration is sufficiently convinced of the value of the Institute's programs to request an appropriation for it in fiscal 1984.

The museum community attributes the Administration's change of heart about IMS, and the less severe cuts proposed for NEA and NEH in large part to the strong support in Congress for the goals of these agencies. It is our hope that this committee will support increases in their budgets in fiscal 1984. The levels approved in fiscal 1982 and 1983 permitted programs to stabilize. At level funding, the expenses of operating an agency grow at the cost of program funds. I believe NEA and NEH have worked to reduce administrative expenditures to the extent that they can without a critical loss of professional staff and damage to the review process. Increases in the budgets of these agencies are necessary this year if the grant programs are to remain vital and the agencies are to continue to run smoothly.

The American Association of Museums would like to add to the request for increases in the fiscal 1984 budgets of NEA, NEH and IMS, a request that the committee examine critically the priorities expressed in the budgets the agencies have submitted for the coming fiscal year, particularly at NEH and IMS.

In the NEH budget request, the Museums and Historical Organizations Program would be funded at a level that is proportionately much lower than the 14 percent reduction overall. At $112 million for the endowment, the program would be cut by almost 30 percent. This is a major reduction in a program that supports exhibitions and educational activities aimed at the general public. Museums have provided the public with a level of accessibility to the study and enjoyment of the humanities that should be strongly supported by the endowment. They are responsible for preserving a major portion of primary material in the humanities for study by scholars, for use in exhibitions and education activities, and for future generations. In addition, past endowment support has enabled museums to undertake reassessments of their permanent collections, placing them in a more meaningful context for study and appreciation by members of the public. This has been of great benefit to museums that are small and serve primarily a local or regional audience.

The chairman of the Humanities Endowment has stated: "I support...the [administration] requests that we made, because it makes sense, because this agency's had too much money in the past. It's had to scramble in the past to find ways to spend it."

We would strongly disagree with that assertion with respect to the museum program and to the Division of General Programs in which the museum program is located. The endowment should be an activist in this area, working to see that quality applications are submitted, not just passively waiting to see what applications come in. There is a leadership role for the endowment to play in this area if public appreciation of the humanities is to grow and if primary institutions in the humanities are to be supported. We hope that the committee will recommend funding for the programs that serve museums and the general public at a level substantially higher than the one requested.

The AAM is also concerned about the priorities of the Institute as they are reflected in the budget request. Our encouragement at the Administration's request for level funding is tempered by the small but steady erosion of the funds allocated to the general operating support program. In fiscal 1982, GOS had an allocation of $10.157 million; in fiscal 1983 that dropped to $10 million and in fiscal 1984, at level funding, GOS would drop to $9.9 million. The allocation for special project support holds steady at $720,000.

The explanation for this drop in support for GOS appears to be twofold. The first involves the revival of the Museum Assessment Program; the second is an increase in administrative costs for the move to new headquarters and to provide staff support for the National Museum Services Board. We do not take issue with either of the reasons; we do oppose the use of general operating support funds to cover these increases in other areas.

In approving the Museum Assessment Program in fiscal 1981, the National Museum Services Board provided funds for the program from the special projects category. The intent of the board was further clarified when, in the face of major budget reductions in FY 82, the board recommended that the general operating support program be continued at the highest level possible, and that special project support, with the exception of MAP be suspended. We agree with the National Museum Services Board that the primary function of the Institute is to provide general operating support and that at level funding the Museum Assessment Program is more appropriately supported through an adjustment in the allocation for special project support.

For the same reason, we are opposed to increases in the Institute's own operating costs being met at the expense of the category that provides critical operating support to museums. Our opposition is strengthened by the announement in an IMS press release on the fiscal 1984 budget that $372,000 in administrative funds were returned to the Treasury Department at the end of fiscal 1982, more than half the amount budgeted for administration. Almost six months into the current fiscal year, the Institute continues to function with a staff much smaller than authorized. Savings in administration can again be anticipated.

While we do not support the skeletal manner in which the Institute is now staffed, the effect is a considerable savings in administrative costs. The anticipated increases in administrative expenses attributed to the move to new offices and an increase in staff costs for support of the National Museum Services Board appear to be small enough to be covered in the current allocation for administration, or throgh a reduction in the special project category. The general operating support available from IMS should be protected from cuts to the extent that it is possible.

For the information of the committee, we have included the AAM's response to the regulations now being proposed for the Institute. We object to a number of changes that would arbitrarily eliminte museums with challenge grants from competing for IMS support, that would limit support to three out of five years; and that would create an undue administrative burden for museums which are part of a state or local government or under the jurisdiction of a university. We feel a number of the proposed changes undermine the concept of rewarding quality which has been a key element in federal support of cultural institutions.

Thank you for permitting the American Association of Museums to expres its views on the fiscal 1984 budget requests now under your consideration.

February 22, 1983

Lilla Tower
Director
Institute of Museum Services
330 C Street, S.W.
Washington, D.C. 20202

Dear Mrs. Tower:

I am writing on behalf of the American Association of Museums in response to the proposed IMS regulations published in the Federal Register. There are a number of proposed changes in the regulations of serious concern to the association. The two changes that would have the most fundamental adverse effects on museums are the restriction against applying for IMS funds if challenge grant funds would be received from either endowment in the same fiscal year, and the prohibition against receiving IMS general operating support funds for more than three out of five years.

In the case of the challenge grant restriction, AAM does not agree with the assumption made in the proposed change that IMS' general operating support grants in any way duplicate the endowments' challenge grants. As the NEA representative testified at the last National Museum Services Board meeting, the Arts Endowment does not allow challenge funds to be used for general operating expenses. The Humanities Endowment supports certain general operating expenses as a samll element of some challenge grants, but only as they relate to the specific purposes of the challenge grant. Applications for only general operating support would be rejected.

The stated purpose of the provision, to "achieve coordination with the activities of other Federal funding agencies, an objective set forth in the Museum Services Act," is not directly served by this restriction. The Memorandum of Understanding concerning federal programs that support museums, signed in May, 1979, by the Institute, NEA, NEH, the National Science Foundation and the Smithsonian, provided for consultation and joint review of proposals when a museum has applied to more than one of these agencies. The Memorandum of Understanding also states: "It should be noted that challenge grants are of limited duration and, by their nature and concept, are very different from continuing or ongoing operating support."

The proposed regulation would further disqualify challenge grant recipients from receiving special project support from IMS. This conflicts with the policies of the two endowments, which not only allow museums to have challenge grants and grants for special projects from the same agency in one year, but also permit institutions to apply to the sister agency for special project support in the same year.

The prohibition against receiving simultaneous support from more than one federal agency for distinctly different activities is without precedent in the federal government. The Institute's proposed regulation does not represent an improvement in the current structure of federal support; instead, it constitutes an arbitrary exclusion of a small but critical portion of the museum community from an important source of support. If the proposed rule is adopted, approximately 250 museums will be excluded from competing for IMS funds in the next one to three years. These institutions represent some of the most outstanding museums in the country with respect to the quality of their operations and service to the public.

The proposed rule against receiving funding for more than three out of five years is explained in the introductory section to the new regulations as a response to "congressional and other concerns that the maximum number of museums share in limited resources; and to avoid the possibility that museums receiving funds under the Act will become dependent on Federal support." Congressional concern about distributing IMS funds to a larger number of museums was expressed in the Senate Appropriations Committee report of July 23, 1981, concerning the fiscal year 1982 IMS funding. Language was included to limit support to one year. However, as a result of subsequent discussions, the House and Senate members specifically agreed to drop that language from the final appropriations bill, and the Conference Report of November 5, 1981, stated: "The Institute may...accept and fund applications from museums which have previously accepted IMS support."

The question of disallowing grants to institutions that have previously received awards has arisen at both the arts and humanities endowments, and in both cases, national council and agency policy is that awards should go to the applicants with the best proposals, regardless of the number of times they have successfully competed in the past. AAM agrees with the endowments that eligibility should not be restricted in this way.

Through fiscal 1983, the number of museums that have received an IMS grant for five consecutive years is fewer than 40, less than one percent of the museum community. Only 100 museums have received support for four out of five years. This demonstrates the highly competitive nature of the IMS review process. It also demonstrates the unlikely occurence of a museum becoming dependent on IMS support. As long as museums continue to apply each year for support, the Institute maintains a rigorous review system, and the National Museum Services Board restricts IMS support to a reasonable percentage of a museum's budget, the risk of dependence seems minimal, and the exclusion of 130 museums from the application process after three grants in a three- or four-year period seems extremely inequitable.

The AAM's objections to the two foregoing proposed changes reflect a concern that through an attempt to clarify rules and avoid potential difficulties the Institute will undermine a primary commitment to support quality in museums. The problems the regulations anticipate are all better solved through a rigorous peer review process and the cooordination and review of policy among the Institute's staff, its board and the officials of the other agencies providing museum support. The affect of the proposed changes will not be to eliminate duplication or dependence, but to eliminate a substantial number of fine museums from participation in the IMS grant process and undermine the essential mission of IMS to provide critically needed basic operating support.

There are several other sections of the regulations that the AAM would like to address. The stricter audit requirements for institutions that do not normally receive audits is a hardship on state, municipal and university-governed museums, as well as museums with small budgets that have received only the minimum grant from IMS. The rule that museums must submit financial statements for the two fiscal years preceding application, rather than the one most recently completed prior to application, imposes an additional burden of paperwork which puts museums without large administrative staffs at a disadvantage.

The AAM encourages museums to maintain the highest standards of financial accountability and approves of the Institute's requirements to demonstrate accountability and sound financial planning at the time of applying for support. Nevertheless, the association does not think the proposed regulation will accomplish the Institute's purpose or serve the museum community.

Throughout the regulations, education programs and collaborative efforts with local schools have been downplayed or eliminated as activities eligible for IMS special project support. This loss of emphasis is particularly unfortunate when the types of activities supported by special project grants have been predominantly in the area of education. The change also ignores one of the principal purposes for establishing IMS, "to encourage and assist museums in their education role."

Finally, Section 1180.36, dealing with procedural grounds for rejecting applications does not provide for a waiver because of technical deficiencies or special circumstances. This section may need to be revised on the basis of instructions from Congress contained in the fiscal 1983 appropriations bill stating: "...regulations of the Institute shall require (1) an appeals process for rejected applications, (2) reconsideration of applications upon receipt of materials in a timely manner if the application was rejected because material did not accompany the application, and (3) waivers of certain requirements under circumstances which would require such waivers."

The periodic review of guidelines and regulations is an important and necessary part of an agency's function. Revision must reflect both the needs of the agency to meet its congressional mandate and responsibilities to the taxpayers, and the needs of the museum community the agency has been directed to serve. In the instances cited above, it is our view that neither the agency nor the museum community's best interests are served by the proposed regulations and we suggest the changes not be adopted without further consideration by the National Museum Services Board of our comments and the comments of others in the museum community.

Sincerely,

Lawrence L. Reger
Director

Senator McCLURE. The American Arts Alliance, William P. Blair.

## STATEMENT OF WILLIAM P. BLAIR, AMERICAN ARTS ALLIANCE

Mr. BLAIR. Thank you very much, Mr. Chairman. Before I begin, I would like to ask permission to submit my statement and some related testimony.

Senator McCLURE. It will be included in the record.

Mr. BLAIR. Thank you, Mr. Chairman.

[The statement follows:]

## STATEMENT OF WILLIAM P. BLAIR

Mr. Chairman and members of the Subcommittee, it is a pleasure to be here today to testify on behalf of funding for the National Endowment for the Arts.

My name is William Blair and I am here to urge you to support the highest appropriation possible for the National Endowment for the Arts in Fiscal Year 1984. I am president of the Canton Symphony Orchestra and Vice-Chairman of the American Symphony Orchestra League, the national organization representing America's 1572 symphony and chamber orchestras. I am also Secretary and a member of the board of the American Arts Alliance, representing 350 professional performing and exhibiting institutions as well as the thousands of people who make up America's opera companies, symphony orchestras, dance companies, theatres, and art museums.

My message is simple: the National Endowment for the Arts works well, and the arts need its support now more than ever. In Canton, we have seen the benefits in two distinct ways. Gerhardt Zimmermann, music director of the Canton Symphony Orchestra, who last year testified before the House Interior Appropriations Subcommittee, was a participant in the Exxon-Arts Endowment Conductors program, a special partnership between business and government that helps train young conductors for careers with orchestras. "The Exxon program," he told the subcommittee last year, "has been the lifeblood of the American conductor. Without it, I do not think the state of the health of American conductors would be as great."

With the grant from the National Endowment for the Arts this year, the Canton Symphony Orchestra will once again send several ensembles, a woodwind quintet, a string quartet, and a brass quintet, to our local schools to teach and perform. In Canton, Endowment support helps us reach more than 37,000 school children in the city and the 11 surrounding counties, providing music and an important arts education. Our federal grant also helps us play a free Fourth of July Concert in a Canton park, and this year a second concert in the park will take place on Labor Day. Support from the Endowment is just a fraction of our budget -- less than 4 percent last year -- but the funding it provides and the support it has helped attract from corporations and individuals has helped make us a finer orchestra and has made our community a better place to live.

This story is not unusual; each year for the past 16 years since the Endowment was created, it has been repeated in hundreds of communities across the country in thousands of performing and exhibiting arts groups. There are many examples in each of your states. Because I am proud of what has happened in Canton and across the country with Endowment support, I am also worried about what will happen if that support is cut any further.

As you know, in FY 1981 the Endowment budget was $158.6 million. We are grateful that Congress has appropriated $143.0 million and $143.9 million for the arts in FY 1982 and FY 1983 rather than the levels of $88.0 million and $100.9

million requested by the President. This year the President has requested another cut to $125.0 million. In the Endowment's Music Program, the reductions are even more dramatic. The FY 1981 budget of $14.1 million was cut to $13.0 million last year and would fall to $10.9 million with the President's recommendation. We must do better.

The Canton Symphony Orchestra's grant will be reduced this year, and it is money we cannot afford to lose. With a reduced grant, our ensembles will play fewer performances in the schools, other free services to the community such as our concerts in the park and our chamber programs for the elderly and handicapped will also be cut. Other arts groups will be forced to cut performances, lay off artists and cut back on valuable programs that serve hundreds of thousands in their communities.

This proposed cut worries me because we have reached a critical time in which strong federal support for the arts is more necessary than ever. The Canton Symphony, like all nonprofit groups is being hard hit from many directions. In addition to the cut in our Arts Endowment grant, we have faced a 49 percent increase over two years in the rate we pay for postage on our mailings to solicit contributions and sell tickets. The proposed cut in that subsidy in FY 1984 could lead to another 71 percent increase on October 1. Assuming that Congress adopts the recommendations of the National Commission on Social Security Reform and requires all nonprofit organizations to begin paying Social Security on January 1, 1984, the orchestra will have to pay an additional $27,000 annually. And, because of the country's range of economic problems with which you are all too familiar, we face increasing costs in all parts of our budget and must work even harder to sell tickets and raise the money we need to sustain our operations.

The Canton Symphony Orchestra's problem is not unique; in fact, it too is being repeated in nearly every city across the country. On the surface, most professional arts groups appear to be in relatively stable economic health, but a closer look reveals some alarming trends. In the case of orchestras, for example, information made available by the American Symphony Orchestra League shows:

- orchestras are generally selling the same number of tickets as last year, but the cost of keeping those seats filled has increased dramatically;
- the marketing and advertising costs of orchestras have increased far more quickly than the rate of inflation, and have doubled in some cases, as management expands the use of existing tools and tries new techniques to sell tickets;
- orchestra development expenses, the cost of raising money, have escalated at an equally rapid rate, also doubling in some cases; and

- interest expenses, the cost of borrowing money to cover long-term debts or short-term cash flow problems, has increased notably.

Growing as rapidly as these expenses is a deficit which is not reflected on a balance sheet at the end of the fiscal year -- an artistic deficit. Simply put, having an artistic deficit means we perform more revivals and fewer premieres, less experimental and avant-garde work and more traditional audience-pleasers. An artistic deficit cannot be easily measured, it is the risks we cannot afford to take, the performances that will never occur simply because we cannot afford to take the chance of a loss at the box office.

Clearly, cuts in the Arts Endowment budget alone have not created these difficulties -- the economic downturn has hit arts groups particularly hard -- but the reduction in Endowment funding is an important factor. While we fully appreciate the demands being made on Congress and the federal budget, we feel that this is the time that federal support for the arts must be strongly reaffirmed. Nowhere are the economic problems more painful than in my home state of Ohio where the unemployment rate is more than 14 percent and exceeds 20 percent in some areas. Yet in Ohio, where we are faced with a massive state deficit, we are asking for the largest state arts budget in history. Despite these economic problems, the state has recognized the importance of the arts to its citizens and has continued to provide a steadily increasing state arts budget. Over the past three biennials, support for the Ohio Arts Council has increased from $2.1 million to $11.3 million. I urge the federal government to follow this example.

The arts have prospered in this country because of a unique partnership in which the government has served as a stimulus to corporations and individuals. Over the years, Endowment support has been so successful because of the dramatic increases it has helped spur from these other donors. Maintaining this balance is critical, for without a continued strong federal presence, all support will falter, like a three-legged stool that loses one of its legs.

Support for the arts is relatively inexpensive, and the benefits are abundant. For a small investment, the arts provide jobs for highly trained professionals and a myriad of support staff from administrators and set designers to parking lot attendants and ushers. For these individuals, unemployment is just as real a problem as it is for steel or auto workers. For a small investment, the arts provide a substantial economic return as demonstrated by a recent study done by the Port Authority and the Cultural Assistance Center in New York. It showed that the arts in the city of New York contribute $5.6 billion to the economy, $150 million in income and sales taxes, and 117,000 jobs.

But most importantly, for a small investment, the arts provide a moment of reflection in front of a beautiful painting or sculpture in a museum, the graceful movements of a modern dance company, a gripping new drama at a regional theatre, the unique excitement of grand opera, and the glorious final chord of Mahler's Second Symphony.

No other sector of our society can offer such treasured and varied returns for so small an investment. This subcommittee has been generous in the past, and I ask you to support an increased level of funding for the National Endowment for the Arts again this year. It is an investment that can be shared by so many and of which we can all be proud.

Mr. BLAIR. My name is William P. Blair. I am here to urge you to support the highest appropriation possible for the National Endowment for the Arts in fiscal year 1984. I am president of the Canton Sympony Orchestra and vice chairman of the American Symphony Orchestra League, the national organization representing America's 1,572 symphony and chamber orchestras. I am also secretary and a member of the board of the American Arts Alliance, representing 350 professional performing and exhibiting institutions as well as the thousands of people who make up America's opera companies, symphony orchestras, dance companies, theaters, and art museums.

My message is simple: The National Endowment for the Arts works well, and the arts need its support now more than ever. In Canton, we have seen the benefits in two distinct ways. Gerhard Zimmerman, music director of the Canton Symphony Orchestra, who last year testified before the House Interior Appropriations Subcommittee, was a participant in the Exxon Arts Endowment conductors program, a special partnership between business and Government that helps train young conductors for careers with orchestras. To quote him, "The Exxon program," he told the subcommittee last year, "has been the lifeblood of the American conductor. Without it, I do not think the state of the health of the American conductors would be as great."

With the grant from the National Endowment for the Arts this year, the Canton Symphony Orchestra will once again send several ensembles—a woodwind quartet, a string quartet, a brass quintet—to our local schools to teach and perform. In Canton, Endowment support helps us reach more than 37,000 school children in the city and the 11 surrounding counties, providing music and an important arts education.

Our Federal grant also helps us play a free Fourth of July concert attended by over 15,000 people in a Canton park, and this year a second concert in the park will take place on Labor Day. Support from the Endowment is just a fraction of our budget, less than 4 percent last year, but the funding it provides and the support it has helped to attract from corporations and individuals has helped make us a finer orchestra and has made our community a better place in which to live.

This story is not unusual. Each year for the past 16 years since the Endowment was created, it's been repeated in hundreds of communities across the country by thousands of performing and exhibiting arts groups. There are many examples in each of your States.

Because I am proud of what's happened in Canton and across the country with Endowment support, I am also worried about what will happen if that support is cut any further. As you know, in fiscal year 1981, the Endowment budget was $158.6 million. We are grateful that Congress has appropriated $143 million and $143.9 million for the arts in fiscal year 1982 and 1983, rather than the levels of $88 and $100.9 million requested by the President.

This year, the President has requested another cut to $125 million. In the Endowment's music program, the reductions are even more dramatic. The fiscal year 1982 budget of $14.1 million was cut to $13 million last year, and would fall to $10.9 million with the President's recommendation. We must do better.

The Canton Symphony Orchestra's grant will be reduced this year and is money we cannot afford to lose. With the reduced grant, our ensembles will play fewer performances in the schools and other free services to the community, such as our concerts in the park and our chamber programs for the elderly and handicapped will also be cut. Other arts groups will be forced to cut performances, lay off artists, and cut back on valuable programs that serve hundreds of thousands in their communities.

The President's proposed cut worries me because we have reached a critical time in which strong Federal support for the arts is more necessary than ever. The Canton Symphony, like all nonprofit groups, is being hard-hit from many directions. In addition to the cuts in our Arts Endowment grant, we face a 49-percent increase over 2 years in the rate we pay for postage on our mailings to solicit contributions and sell tickets. The President's proposed cut in that subsidy in fiscal year 1984 could lead to another 71-percent increase on October 1.

If we assume that Congress will adopt the recommendations of the National Commission on Social Security Reform, and require all nonprofit organizations to begin paying social security on January 1, 1984, the Canton Symphony will have to pay an additional $27,000 annually. In addition to the foregoing, because of the country's range of economic problems—with which you are familiar—we face increasing costs in all parts of our budget, and must work even harder to sell tickets and raise the money we need to sustain our operations.

The Canton Symphony Orchestra's problem is not unique. In fact, it's being repeated in nearly every city across the country. Professional arts groups appear to be in relatively stable economic health, but a closer look reveals some alarming trends.

Thank you, Mr. Chairman. I hope that the—that the committee will look and will increase the support for the arts budget.

Senator McClure. What has been your recent experience with respect to the private support?

Mr. Blair. We find that private support has not increased in a dramatic way. Private corporations use the reasons that—of the economic downturn. They also say that they are being hit from every conceivable area for increases.

Senator McClure. Are you holding your own in that area?

Mr. Blair. We are trying to hold our own. It is tough. We are—currently are holding our own.

Senator McClure. Thank you very much.

Mr. Blair. Thank you, Mr. Chairman.

Senator McClure. Forest Farmers Association, Mr. Warren.

## STATEMENT OF B. JACK WARREN, EXECUTIVE VICE PRESIDENT, FOREST FARMERS ASSOCIATION

Mr. Warren. Thank you, Mr. Chairman. I would like to turn your attention to the field of forestry, if you don't mind. My name is Jack Warren. I am executive vice president of Forest Farmers Association, which is headquartered in Atlanta, Ga.

Forest Farmers, as you probably know, was established some 42 years ago as an organization of private timberland owners in 15 southern States. Our members own some 40 million acres of commercial forest land in this area. My testimony today would be directed toward the President's budget request for U.S. Forest Service fiscal year 1984 appropriations.

We strongly support the President's efforts to balance the budget, and recognize that funding for all activities and programs must be carefully scrutinized and evaluated. We do urge, however, that reductions be made on a priority basis with essential and most highly cost-effective forestry programs maintained at least at basic minimum levels. Our Nation's forest development is vital to its long-range economic health and certain programs, such as fire protection, insects and disease control, and research, should be administered on a continuing basis.

The President's fiscal year 1984 budget request for the U.S. Forest Service reflects a modest increase over fiscal year 1983 budget; however, the appropriations available for the agency to conduct its activities show a reduction. A large portion of this reduction is reflected in the funds available for State and private forestry programs and research activities.

Our association recommends the following. Under State and private forestry, the President's budget request reflects a 60-percent reduction from fiscal year 1983 levels. We urge this committee to consider providing funds for forest pest management, fire protection, forest management, and utilization at or slightly below the 1983 level, which was reduced some 3 percent from the 1982 level. The President's proposed budget would strip cooperative forestry funds to the States. Since most States are not capable of compensating for these lost funds, protection from fire, insects, and disease would be at a most vulnerable level. Also, technical assistance to landowners would be eliminated.

We do agree that reductions are necessary in order to balance the budget. But a cut this drastic would not give the States adequate time to generate the funds to take over the programs cut.

The State and private forestry program is only 1 percent of the total Forest Service budget. Actually, it amounts to less than one-half of 1 percent when pest management funds for Federal forest lands are taken out. We urge this committee to review the importance of a unified State and private forestry program nationwide with Federal participation to protect our forest resources from fire, insects, and disease. We feel that the State forestry agencies are a very important part of our meeting our Nation's wood needs.

Under research, we recommend that Federal forest research programs be maintained at the same level as fiscal year 1983 or at $107 million. We recommend also that such reductions which may be dictated by inflation be allocated on a priority basis rather than across the board. Key programs and activities such as the forest survey; fire, insect and disease protection and control; pine and hardwood regeneration; and forest utilization research, including the work at the outstanding Forest Products Laboratory at Madison, Wis., not be reduced to fiscal year 1982 levels.

These research programs and activities are of vital importance to private, nonindustrial landowners as well as the forest product industries in the South and across the Nation. The U.S. Forest Service research program is very well conceived and administered and is respected by the forestry community. Research is one activity in which the Federal Government is best equipped to exert a leadership role.

In conclusion, while the State and private forestry research programs total less than 5 percent of the total Forest Service budget, our association feels it is extremely important that they be maintained at adequate levels on a priority basis.

Your committee over the years has demonstrated a very deep concern and understanding and support of adequate Federal forestry programs. This support has been most gratifying, and I thank you on behalf of the forest landowners and the private forest interests in the South for the fine programs your insight has made. Thank you very much for your time.

[The statement follows:]

## STATEMENT OF B. JACK WARREN

Mr. Chairman and members of the committee, my name is B. Jack Warren, executive vice president of Forest Farmers Association, which is headquartered in Atlanta, Ga. Forest Farmers Association, established 42 years ago, is an organization of private timberland owners in 15 southern States. Our members own over 40 million acres of commercial forest land.

My testimony today will be directed toward the President's budget request for U.S. Forest Service fiscal year 1984 appropriations. We strongly support the President's efforts to balance the Federal budget, and recognize that funding for all activities and programs must be carefully scrutinized and evaluated. We do urge, however, that reductions be made on a priority basis with essential and most highly cost-effective forestry programs maintained at least at basic minimum levels. Our Nation's forest development is vital to its long-range economic health, and certain programs such as fire protection, insect and disease control, and research should be administered on a continuing basis.

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In conclusion, while the State and private forestry and research programs total less than 5 percent of the total Forest Service budget, our association feels it is extremely important that they be maintained at adequate levels on a priority basis.

Your committee over the years has demonstrated a deep understanding and support for adequate Federal forestry programs. This support has been most gratifying, and I thank you on behalf of forest landowners and private forest interests in the South for the fine programs your insight has made possible. Thank you for permitting me to present these views.

Senator McClure. Next, here from the National Association of Conservation Districts, Charles Boothby.

## STATEMENT OF CHARLES L. BOOTHBY, EXECUTIVE SECRETARY OF THE NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, WASHINGTON, D.C.

Mr. Boothby. Good afternoon, Mr. Chairman. I am Charles Boothby, executive secretary of the National Association of Conservation Districts.

You will have our brief statement before you. I will be even briefer. We are concerned with the proposed cuts, basically, in the State and private forestry programs of the U.S. Forest Service and the Department of Agriculture.

We have worked very closely with the National Association of State Foresters and the American Forestry Association in putting together our recommendations to you on these programs.

These are basically catalytic programs, which to us represent an opportunity for an additional work and provide many jobs for folks throughout the country in working on State and private forestry.

Therefore, we feel it's important to maintain the level of input of the Federal programs to the State and private forestry programs.

We are concerned with the matter of the Bureau of Land Management because of the just getting started on the coordinated ranch planning efforts, that actually started in the State of Oregon, and have been tried in other parts of the country, and are just beginning to get off the ground.

Our conversation district has been very much involved in this coordinated ranch planning effort, and we feel that it should be continued.

We are concerned in the Fish and Wildlife Service budget, primarily with the loss of—proposed loss of funds in the cooperative research units, which is very, very important, because the fish and wildlife of this country, for the most part, uses privately-owned lands for its habitat. And these research programs cannot be turned on and off like a faucet. They need to be maintained over a period of time.

Thank you for this opportunity to present the views of this association. We'll be glad to answer any questions you may have.

Senator McClure. Thank you very much for your testimony. I appreciate it.

[The statement follows:]

## Statement of Charles L. Boothby

### SUMMARY OF NACD RECOMMENDATIONS

| Agency and program | Fiscal year 1983 appropriations | Fiscal year 1984 budget | NACD recommendation |
|---|---|---|---|
| U.S. Forest Service—USDA: | | | |
| State and private forestry: | | | |
| Forest pest management | $27,609,000 | $17,320,000 | $24,800,000 |
| Rural fire protection | 14,370,000 | 3,007,000 | 21,600,000 |
| Forest management and utilization | 16,849,000 | 4,725,000 | 24,800,000 |
| National forest system: | | | |
| Range management | 26,438,000 | 24,613,000 | 35,000,000 |
| Range betterment fund | 5,800,000 | 5,200,000 | 10,000,000 |
| Bureau of Land Management—USDI: | | | |
| Soil, water, and air management | 16,772,000 | 11,595,000 | 17,000,000 |
| Grazing management | 34,169,000 | 27,660,000 | 40,000,000 |
| Wildlife habitat management | 14,942,000 | 10,515,000 | 20,000,000 |
| Wild horse and burro program | 4,812,000 | 4,474,000 | 5,000,000 |
| U.S. Geological Survey—USDI: | | | |
| Topographic surveys and mapping | 79,561,000 | 77,888,000 | 78,000,000 |
| Water resources investment | 111,388,000 | 112,149,000 | 125,000,000 |
| Fish and Wildlife Service, USDI: | | | |
| Animal damage control | 15,111,000 | 13,980,000 | 15,200,000 |
| Fishery research | 9,831,000 | 9,671,000 | 10,500,000 |
| Fish hatcheries | 24,650,000 | 20,302,000 | 28,000,000 |
| Rufuge fund | 5,760,000 | 5,760,000 | 5,800,000 |
| Anadromous fish program | 3,500,000 | 0 | 3,500,000 |
| Cooperative research units | 4,400,000 | 0 | 4,400,000 |

I am Charles L. Boothby, executive secretary of the National Association of Conservation Districts (NACD). Our association represents the soil and water conservation districts and their State associations in all 50 States, Puerto Rico and the Virgin Islands. Districts are organized under State statutes to develop and carry out conservation programs at the local level and are working closely with over 2½ million cooperating landowners.

Conservation districts in many States are very involved with the forestry programs funded by the U.S. Forest Service and implemented by the State forestry agencies. We are very concerned to see the cutbacks proposed by the administration, but especially in the forest management and utilization line item. This provides much of the on-the-land technical assistance required by private landowners. This technical assistance is catalytic in that it provides the technical base for much labor-intensive work in improving woodlands. Conservation districts in many States employ crews to accomplish this work on a reimbursable basis. We recomend that forest management and utilization be funded at $24.8 million. I would add that we have worked closely with the National Association of State Foresters in preparing our recommendations.

The range that is managed by the Bureau of Land Management is, in many areas, suffering from mismanagement and overgrazing. Conservation districts in many States have been instrumental in initiating coordinated ranch planning with BLM, Forest Service, and local ranchers. This effort needs to be expanded to protect range resources from further deterioration.

Since the vast majority of fish and wildlife use for habitat the privately-owned lands of this Nation, conservation districts have a deep interest in the cooperative fish and wildlife programs funded through the U.S. Fish and Wildlife Service. The proposed cuts in the administration's budget are unwarranted and unwise. These programs are not easily turned on and off like a faucet. Long-term commitments must be made and adhered to if the results are to be satisfactory. We strongly urge that the appropriations be restored to recommended levels.

Thank you for this opportunity to present the views of this association. We will be glad to respond to any questions.

Senator McCLURE. Next, we'll hear from Mr. Herrity, of the Mason Neck Citizens Association.

VOICE. Mr. Chairman, I'm Henry Carper [phonetic], president of the Mason Neck Citizens Association. We were originally scheduled to speak to you.

Mr. Herrity wants an opportunity to talk to you. He has apparently been detained en route here.

I would either ask that he defer his time scheduled to later on——

Senator McCLURE. That will be fine.

VOICE. Thank you.

Senator McCLURE. Yes, sir. Thank you.

Preservation Action, Nellie Longsworth.

## STATEMENT OF NELLIE L. LONGSWORTH, PRESIDENT OF PRESERVATION ACTION, WASHINGTON, D.C.

Ms. LONGSWORTH. Good afternoon, Mr. Chairman. I am Nellie Longsworth, the president of Preservation Action. I have submitted my testimony, for our requests for 1984 appropriation.

And again, as we have for the past 3 years, we're very unhappy about the President's proposal to zero out the national historic preservation fund.

Therefore, we do support adequate appropriation to the States, to the national trust, and for the Advisory Council on Historic Preservation.

The Department of the Interior has said that the tax incentives are really working and that with the tax incentives, this program could work by using private-sector funds.

We agree that it's working, but we agree that the reason why these tax incentives are working is because we have had a State-Federal partnership that was able to incorporate a large amount of workload needed to do with certification of these various projects.

For instance, this year, it's estimated that there will be certifications for about $1.5 billion of historic rehabilitation food tax incentives, and they expect that there will be 3,400 projects that will get underway.

So we are saying, yes, the States are a very important component to the whole work. Because among other things, we are working now with developers, and developers who are using these incentives are not necessarily people who are concerned about the esthetics of historic properties. Developers are really concerned about the bottom line, and about whether a project will be economically feasible.

So therefore, we feel that we need the State program as a component to the whole preservation program. But more than that, I'd like to point out to you that there is a component that all buildings do not qualify for these tax incentives. These tax incentives are limited only to income producing property; and there are some buildings which cannot meet some of the qualifications of the tax test, including the fact that they retain 75 percent of the remaining walls.

This class of building not covered by the tax incentives includes national historic landmarks; it includes courthouses, schools. And for this reason, we are asking that there be a reinstatement of develop grants.

Well, as this fall, or this spring, I guess, the most popular thing in town is a jobs component, a jobs bill. And we've been looking at the fact that historic preservation does meet the needs of producing jobs.

And I want you to know that I did call up a number of States the other afternoon, and I asked them what they would be able to do if we could give them $500,000 per State.

What they could do in leveraging private-sector money with this, what they would be able to do in the number projects, and how many jobs they could actually create.

I think you'll be interested in some of the answers that we found out. The States say that they would be able to leverage approximately 10 other dollars, which would be either State, local government, or private dollars, for every dollar that would come through an appropriation.

This means that we would take $25 million and we would leverage it, if that could be an amount of money that we would give to this fund, we could leverage it to 250 million dollars' worth of projects.

We also asked them about what kind of—what size grants they would give out? And they said that they would be able to give out grants in the neighborhood of $25,000 to $30,000 per project.

Again, this leverage is 10 times its amount, and that this means that each State would be able to initiate approximately six projects and these projects would mean that we had almost 1,000 projects initiated very quickly during the next year throughout the United States.

We asked the States how fast they could do this, and the States said they would be able to have these projects underway within 90 days of the allocation.

And then the big question. How many jobs would an appropriation such as this produce? The State said that it would produce probably 20 to 25 jobs per project. These would be for a 6-month average.

And if you take 20 to 25 jobs per project, we figure that there is close to 1,000 projects. We're talking about within 90 days of allocation, being able to see 22,800 jobs produced by an appropriation for historic preservation.

These are for skilled and unskilled tradesmen. So we are asking you to consider both an appropriation, either for the 1984, for this A&D grant or development grant; or possibly to even consider it as a component of the supplemental for 1983.

Senator McCLURE. Thank you very much. You indicated you talked to people at the State level very recently, and also that they have said they could route this into employment in 90 days.

Does that imply that they matching grant requirement is there in every case?

Ms. LONGSWORTH. It is there in every case.

Senator McCLURE. And ready to be expended?

Ms. LONGSWORTH. Ready to be expended.

Senator McCLURE. Thank you very much.

Ms. LONGSWORTH. Thank you.

[The statement follows:]

## STATEMENT OF NELLIE L. LONGSWORTH

Mr. Chairman and Members of the Committee, I am Nellie L. Longsworth, President of Preservation Action, the national citizens' lobby for historic preservation and neighborhood conservation. Our membership represents the preservation community in large cities, small towns, and rural areas within all fifty states. Our interests range from protection of our great irreplaceable national landmarks to the improvement of neighborhoods through reinvestment strategies. We have been witness to a national program that has inspired cooperation between the public and private sectors since 1966. The visable effect of the preservation program can be seen throughout our great nation.

Once again, as we have done for the past three years, we stand before your committee to protest the President's budget as it relates to the National Historic Preservation Fund. The Administration has zeroed out the funding for both the State Historic Preservation Offices and the National Trust for Historic Preservation, a move that threatens to permanently endanger the preservation of our cultural resources. Our efforts to convince the Administration of the cost effectiveness of this relatively small federal investment have fallen on deaf ears. To eliminate funding for a program which has proven its ability to create jobs, save energy, reduce crime, improve blighted areas, and stimulate private investment in the construction and housing industries seems short-sighted and illogical.

The national historic preservation program has developed a highly refined operational system that respects the authority and needs of each level of government - federal, state, and local - as well as the private sector. The system is cost-efficient and provides almost no duplication of effort. Uniform standards and timeliness are keys to the success of the whole national preservation effort, particularly as they impact the certification of properties and planned rehabilitations for tax incentives, nominations to the National Register of Historic Places, and the review of projects receiving federal funds that may have an effect on historic properties.

Preservation Action believes that the following appropriations are necessary to ensure the continuation of the important role that historic preservation is playing in the economic revitalization of towns and cities of all sizes, as well as ensuring that the historic, architectural, and cultural monuments of our past will be a part of our future.

### $30 MILLION FROM THE NATIONAL HISTORIC PRESERVATION FUND FOR THE STATE HISTORIC PRESERVATION OFFICES

Preservation Action requests an increase in funding level over last year to compensate for the increased workload placed on state programs by the popularity of the tax incentives for historic preservation. Certification applications increased by 31% between 1980 and 1981, and increased 39% in 1982. An increase of 89% is predicted for 1983 as well!

The success of the tax incentives in best told in statistics. Since 1976, 4938 projects have provided a total private investment of $2.307 billion in historic rehabilitation. In F/Y 1982, alone, 1,802 projects were approved for a total investment of $1.128 billion. The projections for 1983 indicate a total of 3,400 projects for an investment of $1.5 billion. Since 1976, over 19,8000 units of new housing have been created, with 50% designated for low and moderate income citizens. It is important to note that the Department of Interior estimates that 27,298 jobs were created by the incentives in 1982, with an increase to 36,3000 in 1983.

Developers will continue to use the historic rehab tax incentives requiring certification only as long as the processing of applications is efficient, reasonable, and timely. State staffs consult with developers at early stages of planning and assist through on-site inspections, preparation of documents, and consultation on the Secretary of Interior's Standards of Rehabilitation. The SHPOs weed out numerous projects before great expense has been incurred. The states further assist in the preparation of National Register nominations, as required by the law, and further offer technical assistance in the best methods of preserving older buildings.

The states perform a myriad of other tasks, many of which are important to the protection of properties on or eligible for the National Register. Their role in the 106 process of review of all projects receiving federal funds to determine whether further action need be taken by the Advisory Council on Historic Preservation is relevent and cost-effective. Their survey programs further assist in the guidance of both public and private sector interests for future new construction and community development. This "conflict avoidance" ensures that historic buildings and new construction will co-exist harmoniously in towns and cities of all sizes.

One area, not often noted, is that the state historic preservation office is a recognized professional department in state government. Through timely assistance, the preservation office can expedite the expenditure of other federal funds that might otherwise be delayed by the hiring of outside consultants to make preservation determinations. An example: the State of Pennsylvania is completing a survey of its 23,000 bridges, and the preservation office has assisted by rendering a historic evaluation of each without delaying the project.

The zeroing out of funds for the states, as proposed, makes no sense to anyone in historic preservation. The preservation community is further concerned by memos that suggest that regulations are being written within Interior to make the state participation in historic preservation voluntary rather than mandatory. A decision to have the regional offices of the National Park Service handle tax certifications without state assistance is aggravated by the fact that a serious backlog problem - resulting in delays up to six months for the processing of applications - existed in Philadelphia as recently as December of 1982. If the NPS cannot handle the workload WITH state participation, what might one expect WITHOUT?

Congress should support an appropriation of $30 million to ensure continued participation of the states in the national historic preservation program. The Congress should further ensure that the NPS unit responsible for historic preservation is adequately funded and staffed. Preservation Action also supports the additional $2 million increase recommended by the President budget for the federal preservation program, and believes that the staff increase of fifty full time employees (FTEs) is necessary to handle the increased federal responsibility for tax certification.

## $4.5 MILLION FROM THE NATIONAL HISTORIC PRESERVATION FUND FOR THE NATIONAL TRUST FOR HISTORIC PRESERVATION

The private sector looks not only to the states for assistance and professional guidance, but also to the National Trust for Historic Preservation. Through the six regional offices of the Trust and a number of inventive programs - Main Street, the Critical Issues Program, the Inner City Venture Fund to name a few - preservationists can offer their communities excellent plans and programs that will bring economic vitality through the use and recycling of existing structures. The Trust plays another important role in the stewardship of some of our nation's most treasured historic buildings.

The National Trust, chartered by Congress in 1949, ensures that the private sector interests are privy to outstanding legal, financial, and technical assistance. The Trust's record for the leverage of public dollars by many times their value in private dollars makes this organization worthy of continued federal support.

## $15 MILLION FROM THE NATIONAL HISTORIC PRESERVATION FUND FOR STATE DEVELOPMENT GRANTS

The Department of Interior has stated that historic preservation can be accomplished by the private sector through the use of the preservation tax incentives. Unfortunately, the tax incentives apply only to income-producing property, leaving many historically designated buildings ineligible for any assistance. The class of buildings that would be assisted by the matching grants include National Historic Landmarks, National Register properties, and state and local landmarks. Courthouses, schools, churches, and a variety of other structures need - and deserve - a preservation incentive to leverage private investment, similiar to the tax incentive leverage. The reinstatement of funding for the successful A & D Grants can keep federal investment at a low level, while ensuring a balanced national program for the protection of all our historic resources.

## $1.6 MILLION FOR THE ADVISORY COUNCIL ON HISTORIC PRESERVATION

Under Section 106 of the National Historic Preservation Act, the Advisory Council on Historic Preservation administers the only federal legal protection for our nation's significant properties. This small, independent agency provides a unique opportunity for state and local governments, the preservation community, and concerned citizens to voice their views on federal projects that affect their historic environments. In F/Y 1982, 1,800 cases reviewed by the Council resulted in changes to plans that saved over 2,000 properties from destruction or impairment.

Preservation Action supports funding of the outlined program as a balanced approach to historic preservation and community development. The lessons learned in the development of a program over 17 years have produced one our nation's finest programs. It is a program that gives authority to state and local governments, and one that capitalizes on the resources of the private sector.

All appropriation requests must be carefully weighed during the current deficit crisis. Preservation Action believes that historic preservation offers solutions to many of America's problems with a minimum of federal expenditure. We ask Congress to support appropriation for the National Historic Preservation Fund and the Advisory Council on Historic Preservation, not only because of the leverage of private dollars it produces, but also because our nation needs to preserve its historic, architectural and cultural resources so that we, by understanding our past, will be better prepared for our future.

Preservation Action requests that the Senate Interior Appropriations Subcommittee recommend a funding level that ensures the continuation of a balanced program and one that will encourage the preservation and protection of commercial, public, and private historic buildings. Specifically, we encourage you to recommend $49.5 million for the Historic Preservation Fund and $1.6 million for the Advisory Council on Historic Preservation. We further want to be on record in support of a $600,000 appropriation for the museum of building arts.

Senator McClure. I inadvertently skipped over the National Recreation and Park Association, Leah Roedel. I apologize for skipping over you, but we'll get right back to you.

## STATEMENT OF LEAH L. ROEDEL, TRUSTEE, NATIONAL RECREATION AND PARK ASSOCIATION

## ACCOMPANIED BY BARRY S. TINDALL, DIRECTOR OF PUBLIC AFFAIRS, NRPA

Ms. Roedel. Mr. Chairman, I'm Leah Roedel, and I'm very appreciative of this opportunity to speak to you about some of the budget recommendations for 1984.

I am a trustee of the National Parks and Recreation Association, and a member of the Public Policy Committee. We have some recommendations which I will give just briefly highlights of some of my viewpoints on their importance.

And the first one is at least $100 million for State and local governments' participation in the Land and Water Conservation Fund.

To me, this is one of the most important Federal programs that I know of, because it benefits all sectors of our society, and it requires a 50–50 local match, which I applaud as a very fiscal responsibility endeavor.

And it has been rolling right along in the last 20 years, under the ORRRC report, and Review Commission that was established by Laurance Rockefeller.

We feel that now there is a time to update all these recommendations and look at where we are, and so that we are going to discuss it later in this report, what we intend to do about that.

We applaud the fact that $70.6 million has been appropriated for 1983. This will, however, not cover all the needs that we see. We have done a survey, a comprehensive survey throughout the country, and they are set and ready to do many numerous community projects that will benefit the public.

We have to emphasize, of course, that these are also an opportunity for employment for many, many people in carrying out these projects at the local level.

The second major point that we have, the $100 million for the urban park and recreation recovery program, is, of course, a very much needed, and is—will affect the areas' intensive use and such things as stadiums, trail systems, bike paths, community facilities, sanitation and water systems in our parks of heavy use.

And we do again stress the fact that this would benefit not only the community, but also our public at this time. I would like to introduce the next subject, which is that we are—have some legislation that is pending and going to be offered which would involved an updating of the Outdoor Recreation Resources Review Commission report of 20 years ago.

And we are calling it the comprehensive national assessment. And it is well underway with a great deal of volunteer help and private money involved.

We are going to need some supplemental appropriation for that. And I'd like to turn that over to Barry Tindall to make a few comments, please.

Mr. TINDALL. Thank you, Leah.

Mr. Chairman, what Ms. Roedel is referring to is the proposal that our organization and probably 20 other organizations have offered.

Your staff have been apprised of the effort. I know that Mr. Rockefeller and others have shared some materials with you on this.

We think it is timely, after the work of the Outdoor Recreation Resource Review Commission in the 1958–62 time span, to step back and take another long-term look at where we're heading in this country in terms of recreation resource, recreation program needs.

The recommendation in our appropriation testimony here obviously presumes that Congress will consider and ultimately approve authority to do that, and we would hope that you would personally be involved in this.

I would supplement Ms. Roedel's comments on Land and Water Conversation Fund needs by calling your attention to a list that we have shared with you.

This list contains the results of a telephone survey of 27 States. You can see the bottom line there. They have a need of $11.6 million.

If you project this to the 50 States, we estimate that an excess of $450 million could be utilized at this point. We think and we ask people to be rather conservative in their estimates, so we have a fair amount of faith in this.

You can note that even if you cut this partial survey number in half, you get close to where we are coming from in terms of our specific recommendation for you.

Referencing the jobs bill, we note that the House Appropriations Committee has included $50 million for the UPARR program. We would hope that the Senate could at least match that.

Obviously that's not the only approach that, or not the single approach that could be taken for jobs creation. The State side of the Land and Water Conservation Fund, which is in the 65- to 75-percent range, construction money, could be another vehicle, we would hope, in companion with UPARR to significantly aid the employment prospects in this country.

We are working on specific numbers at this point. We have estimates, rough estimates of the number of jobs that would be created, and we will share those with your staff as soon as we have those.

Senator McCLURE. Thank you very much.

Our current information indicates that although the States have been keeping about even with the backlog of projects for which money has been appropriated under the Land and Water Conversation Fund.

But there's about a year and-a-half time lag that they haven't been dropping further behind, but they still, even though the money is obligated, it is not—it is not expended.

Which would indicate to us that if more money is available, there would still be some time lag before that money could be expended.

Mr. TINDALL. Now, the process that you're referring to, Mr. Chairman, is an expenditure rate situation that Secretary Arnett and others have addressed to Secretary Watt.

We think that is a distortion of the situation. The Land and Water Conservation Fund is a reimbursement program. The State and local governments put the money up front. They don't request the money until the project is completed.

Now, historically, we have seen a 5-year sort of bell-shaped curve for completion of the Land and Water Conservation Fund project.

The expenditure rate in the program is excellent. Is excellent. And it has been accelerated over the last year to 18 months, more than——

Senator MCCLURE. This is further information from you on that subject. Because I'd like to get it clarified.

Mr. TINDALL. Fine.

Senator MCCLURE. Thank you very much.

Mr. TINDALL. The obligations can be met, sir.

Thank you.

[The statement follows:]

## STATEMENT OF LEAH L. ROEDEL

Mr. Chairman and members of the Subcommittee, I am Leah L. Roedel, a Trustee of the Natinal Recreation and Park Association and a member of our Public Policy Committee. I am involved in a number of resource-related activities in Delaware and was formerly a member of the Delaware State Park Commission. I reside in Wilmington, Delaware. With me today is Barry S. Tindall, director of Public Affairs for the Association.

We appreciate the invitation to express our views and recommendations on proposed fiscal 1984 federal budget and certain modifications to fiscal 1983 appropriation items.

We recommend the following:

- At least $100 million for State and local government participation in the Land and Water Conservation Fund;
- $100 million for the Urban Park and Recreation Recovery Program, to be an element of a broader public facility restoration/employment program for fiscal 1983;
- An estimated $1 million, through a supplemental appropriation or reprogrammed funds, to support a comprehensive national assessment of recreation and park policy issues anticipated to the year 2000;
- Rejection of a proposal by the Administration to defer and reprogram $2.3 million in LWCF contingency reserve funds for program management purposes;
- Amounts necessary to complete or continue resource protection strategies for selected federal park, forest, refuge and public land areas.

The National Recreation and Park Association is a national not-for-profit organization engaged in a wide range of research, education, policy and program initiatives in the area of parks and recreation. We have a membership of some 15,000 individuals, organizations and agencies performing an array of civic, professional and technical functions to meet the nation's diverse recreation demands. For the most part, our members are associated with public recreation and park systems. We have an affilitate organization in each of the 50 states, the Canadian Provinces, Europe and Asia.

The Administration's proposed budget, especially those programs which we have referenced above, reflects policy decisions which do not differ significantly from last years proposals. These include:

- Termination of State and local participation in the Land and Water Conservation Fund;
- Termination of the Urban Park and Recreation Recovery Program;
- Termination of the historic preservation grants program;
- Effective withdrawal from any significant Federal role in policy coordination, technical aid, planning or other interagency or intergovernmental functions in the area of parks and recreation.

At the same time, "New Federalism" proposals continue to ignore the subject of recreation and parks. In the Administratin's view, public recreation and park concerns are restricted to those issues associated exclusively with Federal control of the land. We disagree with that perspective.

Several factors strongly suggest that a Federal-State-local strategy to meet recreation needs should be pursued. These include:

- Comprehensive state and local park systems appear to absorb a significant amount of recreation user pressure that, if not directed to non-Federal parks, would exert additional pressure (and cost) on Federal recreation resources. This point is usually ignored when considering Federal resource protection strategies and costs;
- Non-Federal recreation resource systems meet a variety of interstate and regional demands. State and local recreation resources frequently serve a very mobile, non-resident population;
- The State and local governments have demonstrated a continuing commitment to participate in recreation grant programs, despite serious program disruptions in each of the last three fiscal years and fiscal stress involving all levels of government;
- Administration statements "that the States (and local governments) cannot effectively use" LWCF (and UPARR) are not well-founded;
- The LWCF grant program provides an effective means to re-invest a small portion of revenues from a depleting natural resource;
- Recreation and park systems play an increasing, not diminishing, role in American society. This role includes a wide array of economic, social and environmental values.

Observations supporting our specific recommendation follows.

## Land and Water Conservation Fund:

We applaud this Subcommittee's support and inclusion of $70.6 million for State and local government participation in the Fund in fiscal 1983. The provision of this new budget authority came at a critical point in the program's history. We have been told repeatedly by State program managers that this positive action has fostered renewed enthusiasm at the State and local levels at a time when governments generally are faced with a lot of negative situations.

The one-year moratorium (and uncertainty about its continuation) did have certain negative results, but these should be overcome with provision of new budget authority. This assumes that no deferral or rescission requests (and concurrent administrative "freezes") are forthcoming. The negative affects included significant disruption of the grant application and review processes, reassignment or termination of experienced management staff; and uncertainties in State and local fiscal planning, especially regarding the non-Federal match requirements.

Further, the prolonged nature of the fiscal 1983 budget and appropriations processes and additional time required to officially apprise the govenors of their respective apportionments, puts the current project application/approval process in many states well behind schedule. (The Secretary of the Interior on February 3 notified the governors of amounts legally available.) Still, there is significant interest and demand, and my organization and others are continuing to assess the situation.

Earlier this month we conducted a random telephone survey of 20 State LWCF grant administration officials. The question posed was: Would the State have any problems obligating the amount made available for fiscal 1983, or any amounts from previous years? In every case the answer was a resounding "no." Many cited a large backlog of worthwhile projects which meet current requirements. (The only exception was the State of Florida where obligations will be delayed because of State administrative provision.) Our second question addressed estimated grant requests for fiscal 1984. The 20 States reported an estimated demand for $179.9 million.

Projecting this figure to include all of the States suggests that in excess of $450 million might be utilized.

We do not recommend nor do we suggest an appropriation of that magnitude for State assistance. Rather, we cite this figure to put in context the very conservative nature of our recommendation.

Our recommendation is less than one-third the appropriation for this program only four years ago. At the same time the utilization of recreation resources have, in many instances, doubled and tripled. State park visits annually exceed 600 million. Local systems probably meet 3 and 4 times that load. Many public systems and services, including parks, are in a period of fiscal stress. Some of these will not participate in this program; some have curtailed operations; many have developed and implemented strategies to generate additional revenues; all are attempting to cope with a serious national problem of the economy while attempting to meet basic resource conservation and human service needs.

Other LWCF issues: The Administration's proposed budget recommends $3 million for grants administration, $2.3 million of which would come from deferred and reprogrammed LWCF contingency reserve funds. Given the results of our survey, we strongly suggest that contingency funds be used for the purpose for which they were appropriated. According to estimates, some $3.7 million would probably be necessary to effectively administer the ongoing LWCF grants program. These funds should be made available separate and apart from grant funds so that Congress may clearly monitor the results of its appropriations action.

## Urban Park and Recreation Recovery Program:

We share this Subcommittee's disappointment in not initially funding this important program for fiscal 1983. At the same time, we were encouraged that the House-sponsored employment initiative, part of the continuing resolution for fiscal 1983, included $100 for urban park rehabilitation. We note that negotiations regarding the magnitude and scope of an employment/public facilities program is under active discussion by the Congress and the Executive Branch. Thus, we repeat here a recommendation made last fall -- include urban parks in this initiative.

The urban parks recovery program has all of the central characteristics considered important in employment proposals:

- The work needs to be completed. A 1980 NRPA random survey of city recreation resource rehabilitation needs estimated $4.26 billion required over a 5-year period. A follow-up survey done in conjunction with the fiscal 1983 supplemental proposal reconfirmed these findings.
- Most projects are labor-intensive, requiring a combination of skilled and a large number of semi-skilled persons.
- The majority of projects are located in the areas of greatest long-term unemployment, thus requiring little or no worker relocation.
- The projects could be activated rapidly. Additional funds would, in some instances, allow acceleration of ongoing projects. The planning process is currently active. Several projects could be underway within 30 days.

- Completion of urban park projects frequently contributes to other economic activity through broader community revitalization efforts -- housing, establishment or re-establishment of small business, increased attraction for "outside" businesses, permanent "second generation" jobs managing restored facilities.

Any UPARR funds made available through employment initiatives should be directed to actual rehabilitation work, rather than additional planning.

## A Proposed National Assessment of Recreation and Park Policy Issues:

In January, 1981 the National Recreation and Park Association recommended that the President establish a high-level commission to examine the long-term environmental, economic, social and other aspects of recreation in America. Such an inquiry, we argued, would be of high value to the Administration, the Congress, the States and others as a source of policy and program options. At a meeting at the Aspen Institute in Maryland in January, 1982 several other national and regional groups discussed the idea in greater detail.

On February 3, 1983 an independent citizen's group, organized last August by Laurance S. Rockefeller, recommended that a congressionally authorized commission examine America's long-term recreation needs and recommend appropriate public policy and program options to address them.

Several members of the authorizing committees in both the House and the Senate have a draft bill to establish such a commission under review. Our recommendation on this matter anticipates early Congressional action on this authorizing legislation.

We continue to believe that public and private institutions must seize this opportunity to contribute to the development of a more comprehensive perspective and public policy for recreation and parks in America. The public's quest for diverse recreation experiences has gained unprecedented prominence in American life. Numerous public and private reports provide statistical evidence attributing substantial health and economic benefits to recreation. Still other reports stress the increasing world-wide demand for protection of natural resource systems to meet, in part, public demand for recreation and associated values.

Economically, recreation in America now represents some 12 percent of our gross national product, making it one of the largest economic elements in the country. Recreation-related spending in 1980 exceeded $200 billion. Millions of jobs are dependent upon a wide array of public and private sector services, programs and products associated with recreation.

Of parallel importance is America's health and recreation's contribution to it. We now spend, according to the Department of Health and Human Services, some 9 percent of our gross national product on health care, research and other health-related activities. The U.S. Public Health Service, in its 1980 report "Promoting Health, Preventing Disease", noted that "increased levels of physical fitness (frequently achieved through recreation) may contribute to reduced heart and lung disease rates, possibly reduce injuries among the elderly and, more broadly, an enhanced sense of well-being...reinforcing positive health behavior..." Unfortunately, these benefits are rarely reflected in America's recreation policy, funding and other decisions.

We believe the Federal investment in recreation resource protection and management, the intergovernmental aspects of recreation resource policy and the private sector's investment in recreation services, facilities and other industries, dictate that the national government, through Congress, establish a process and structure to develop an array of public policy options that are forward-looking.

The research and recommendations of the Outdoor Recreation Resources Review Commission, authorized by Congress in 1958 commencing its work during the second term of President Dwight Eisenhower, have been of paramount importance in over twenty years of national, State and local policy evolution. The passage of two decades, the accompanying growth of recreation demand, and unprecedented socio-economic change strongly supports the recommendation for an updated, but more comprehensive, review of recreation policy matters.

This completes our prepared report. We would be pleased to respond to any questions the Subcommittee might have.

*Land and Water Conservation Fund estimated requests; selected States—fiscal year 1984*

| | | | |
|---|---|---|---|
| Arizona | $5,000,000 | New Hampshire | $2,000,000 |
| Arkansas | 5,000,000 | North Dakota | 6,000,000 |
| Connecticut | 6,000,000 | Ohio | 20,000,000 |
| Delaware | 2,000,000 | Oregon | 2,000,000 |
| Florida | 12,000,000 | Pennsylvania | 20,000,000 |
| Georgia | 15,000,000 | Tennessee | 4,000,000 |
| Idaho | 4,000,000 | Utah | 11,000,000 |
| Illinois | 12,000,000 | Vermont | 1,200,000 |
| Indiana | 1,500,000 | Washington | 35,000,000 |
| Kentucky | 3,500,000 | West Virginia | 3,500,000 |
| Louisiana | 18,000,000 | Wisconsin | 2,600,000 |
| Maryland | 5,000,000 | Wyoming | 4,300,000 |
| Michigan | 3,000,000 | | |
| Mississippi | 5,000,000 | Total | 211,600,000 |
| Nevada | 3,000,000 | | |

Senator McCLURE. Let's hear from the American Forestry Association. Mr. Rex Resler.

## STATEMENT OF REXFORD RESLER, EXECUTIVE VICE PRESIDENT, THE AMERICAN FORESTRY ASSOCIATION, WASHINGTON, D.C.

Mr. RESLER. Good afternoon, Mr. Chairman. I'll brief my statement, because my voice may not last as long as your patience does, even.

I did want to testify in support of the Forest Service appropriation bill. I represent the American Forestry Association. We are very much concerned about two things.

No. 1, balancing the Federal budget; at the same time, providing adequate protection and management of the Nation's renewable natural resources.

We're concerned that the President's budget does reflect what we would consider to be excessive cuts, particularly in State and private forestry, and in research programs.

While the President's budget request is for $2.005 billion, an apparent increase of $31 million, because of anticipated increases in rates of revenue, and therefore higher payments to the States, the budget request actually amounts to a substantial cut in the amount of $105 million in actual appropriation available for activities.

Thirty-eight million dollars of which is reduction in State and private, and $6 million in research.

We're concerned about the research and cuts of $6 million over—in comparison to 1983, because of the fact of 2 years' time represents a very substantial cut, taking inflation into account, of almost 25 percent in Forest Service research budgets in the 2-year period.

The argument is presented by the administration that much of this research should be done in the private sector. We would agree if there is anything in history that suggests that that's the logical conclusion, research simply is not undertaken adequately in the private sector; particularly basic research, when there is real uncertainties about the risks that are being undertaken or the possible profitability of products or processes that come out of that process.

One can find many examples in which publicly financed research has led to major breakthroughs. I give you a couple. For instance, everyone is familiar with the forest genetic research and the huge increases in productivity that's come out of that program.

That basic research came out of agricultural and forestry research, publicly financed research, with its applications being developed in the private sector.

It's a very productive and effective means for implementing new technology. More recently, something that's catching on very rapidly is the new technology in truss frame construction. And with major savings of up to 30 percent in construction materials and some 22 percent in time.

Some 1,200 houses have already been built with that technology, and it will take on rapidly. I'd be happy to cite the specifics of a dozen or so more, if the committee would like to see it.

My point merely is that there's a happy marriage between publicly financed research and the implementation stage that corporations in the private sector can be expected to apply, once risks and uncertainties are specified.

The reduction in State and private forestry programs amounts to a deauthorization of the Cooperative Forestry Act of 1978. The 60-percent reduction eliminates grants to the States.

Of that $25 million that the President recommends for State and private forestry, $17.3 million is to go to insect and disease management activities on Federal lands, not on the private lands.

Leaving the States with a huge reduction and cost burden in protection from fire, insects, and disease, providing technical services, et cetera.

We think that's too much to ask of the States to absorb in a very short period of time, and we hope that you would look critically at it.

We believe that the support level for State and private ought to be in the $65 to $70 million range, roughly comparable to the last year, slightly above, and we would like to see the research program held at around $112 million, which takes into account some effects of inflation.

Under national forest systems, we would support the logic of selling 11.6 billion feet of timber, because the prospects of contract termination legislation is unlikely. The best way to provide some opportunities to go to work is to bring newer timber on the market at lower costs.

I know it can be argued that 39 billion feet of timber under contract, that that's not necessary. But I think if one were to look at the condition in the Pacific Northwest, there is a logical rationale for offering new timber at reduced rate.

I'm——

Senator McClure. Mr. Resler, I note on the top of page 4, that you've indicated that if you assume the contract relief legislation is not likely to occur this year, a sales program at about the FS proposed level is necessary to move lower-cost lumber to the market.

Are you assuming that there will not be defaults on current contracts?

Mr. Resler. I'm assuming that there would be fewer defaults. If new timber was brought on line, bid in and appraised, and bid in at current market values. It would be an opportunity for more operators to mix and continue to operate some of that higher-cost timber.

That's my rationale.

Senator McClure. So you're assuming that those sales would not be turned back to the government by legislative action?

Mr. Resler. I'm assuming that it will not be turned back by legislative action. Some no doubt will be defaulted, in my judgment.

Senator McClure. How much?

Mr. Resler. Without contract——

Senator McClure. Any idea of volumes?

Mr. Resler. It would be a sheer guess. It's——

Senator McClure. I understand the Forest Service is suggesting that there might be as much as 800 million?

Mr. Resler. Yes; it's a figure I've heard.

Senator McClure. Do you question that figure?

Mr. Resler. No, I do not.

Senator McClure. All right. Thank you very much for your testimony. I appreciate it.

Mr. Resler. Mr. Chairman, may I add one other point? The recreation and other budgets are very short this year. I just want to endorse the notion that I hope something can be done along the lines of this American Conservation Corps program.

That would make a lot of difference in the agency's programs.

Thank you, sir.

Senator McClure. Thank you very much.

[The statement follows:]

## STATEMENT OF REXFORD A. RESLER

Mr. Chairman, my name is Rexford A. Resler, Executive Vice President of The American Forestry Association, a national citizen's conservation organization formed in 1875.

We support the objective of bringing the federal deficit under control as rapidly as possible and are acutely aware of the difficult choices this Committee must make. We urge this Committee, however, to resist excessive cuts in programs designed to protect and manage the natural resources of the nation and to conduct the research necessary for bringing about higher levels of productivity in the future. Of particular concern is the substantial reduction in funding for research and drastic cuts in state and private forestry appropriations.

The President's budget request is for $2.005 billion, an apparent increase of $31 million. Because of an anticipated increase in timber harvest and other sources of revenue, payments to states is increased by $124 million in comparison to the '83 level. The appropriations available for the agency to conduct its activities, however, amounts to a reduction of $105 million from the '83 level. Of that $105 million reduction, $38 million is a direct reduction in state and private forestry programs and $6 million reduction in the research programs. We consider these cuts to be excessive and extremely ill-advised.

### Forest Research

The President's budget for research is $101 million, down $6 million from the '83 appropriational level, and a reduction of over $11 million from the fiscal '82 appropriation. Taking inflation into account, this represents about a 25 percent real reduction in the research effort in two years. This level of funding will cause a further reduction of 165 scientists staff years in fiscal '84 in addition to the reduction of 399 positions as a result of the reduction in fiscal '82. Mr. Chairman, this amounts to nearly a 25 percent reduction in research capability within a two year period. The Administration argues that much of this research work should be conducted by the private sector. I view this as a rationale for budget cuts that relates in no way to the reality of our experience over the years.

Research simply does not thrive in a climate of constant disruption. An effective research program is characterized by highly trained scientists, sophisticated equipment, and specialized facilities. The fundamentals in either basic or applied research are creativity, knowledge and method. We are deeply concerned, Mr. Chairman, because we see a fine research institution being gradually dismantled. The best scientists obviously will search for better opportunities, more stable opportunities. Research cannot be turned on and off at will. Once the critical mass of scientific skills are dismantled, it takes years, decades, to restore that capability. If one examines critically where most of the basic research that has led to new technology, new processes, new products, one will find that it comes largely from publicly financed research. The risks and uncertainties associated with long-term forestry research and development projects discourages the private sector from investing in enterprises in which both the risks are unknown and commercial products or services are not assured.

One can find many examples to support the logic of publicly financed research. The basic research in forest genetics came out of agricultural and forestry research institutions. Once the technology was developed then the private sector adapted that technology to their own applications with great advances in productivity of the nation's forests. A more recent example is the truss frame system developed by the forest products laboratory. This new technology is being rapidly applied. Some 1200 truss framed homes have been built in 22 states with savings of 30 percent in construction materials and 22 percent in construction time. The southern pine plywood industry came out of the laboratory. Advancement in silvicultural knowledge of all important tree species is a product of publicly financed research. During a period in which great concern is being expressed about our inability to compete internationally because of lowering productivity, it seems ill-advised to curtail research and to permit a gradual dismantling of our scientific institutions.

We recommend that the research program be funded at the '82 level, namely $112 million. To allow for the effects of inflation that figure should be $120 million. We urge this Committee to consider a level of appropriation that will maintain Forest Service research at least at the '82 level.

### State and Private Forestry

The President's budget request is for $25 million, a 60 percent reduction from the '82 appropriation level. In essence this budget proposal amounts to a deauthorization of the Cooperative Forestry Act of 1978. That Act reinforced the commitment between the federal government and the states in matters relating to cooperative forestry ventures. However, the Administration now proposes eliminating all financial grants to states except for $4.7 million for management improvement. $17.3 million for forest pest management funding is to provide protection from forest pests on federal lands. The assumption is that the states no longer need this assistance and it should, therefore, be eliminated. But the State Foresters have stated very clearly that the elimination of federal support means a direct reduction in the level of fire, insect and disease protection and technical assistance to landowners.

Most of the states are incapable of compensating for this 60 percent reduction in the state and private forestry program. Most of the states are heavily burdened already by reductions in other federal grant programs. It is to be expected that we will see reductions in many of the states capacity to provide adequate levels of protection. Of necessity, many states will shift emphasis to protecting from fire losses to the exclusion of most other activities. I would expect that the public will pay several times over for this piece of ill-advised budget strategy. When the State Foresters appear before this Committee, I hope you will question them sharply as to what the consequences will be.

We recommend that the minimum level of support should be in the $65-70 million range for state and private forestry programs. I should think that this body would be concerned about deauthorizing an Act of Congress by the simple process of declaring their intent not to conform to the Act.

## Trust Funds

It seems to me that the Administration is playing games with the trust funds. It is my understanding that the $108 million of appropriated reforestation and TSI trust funds in 1983 has simply been deferred to 1984, and that there is a direct substitution of appropriated monies for trust funds. I can only guess that this is an OMB strategy for reducing appropriated funds by an amount equivalent to $108 million. If this is correct, then it suggests to me an opportunity for restoration of some of the unacceptably high cuts in research and state and private forestry programs.

## National Forest System

The timber sale program for fiscal 1984 contemplates the offering of 11.6 billion board feet with a harvest level of 10.5 billion board feet. We believe this is a realistic goal in view of the substantial upturn in housing starts. There is some 39 billion board feet of timber under contract and uncut. Because much of the timber in the Pacific Northwest was bid in at exorbitant prices, about a quarter of that timber is not operable based on current market conditions. If we assume that contract relief legislation is not likely to occur this year, then one way to bring new and lower priced timber on the market to satisfy a rising demand for construction materials and to put people back to work is to offer new timber at affordable prices. For this reason we would argue that the sales program ought to be funded about as proposed.

We are concerned with the continuing lack of balance of funding among other resource programs. There is substantial increase for minerals management, of $5.7 million to accommodate the expanding minerals activity on the national forests. The recreation budget is down $2.8 million from fiscal '83. A reduction of this magnitude may not appear to be serious, but when one couples it with the sharp curtailment or elimination of the employment programs such as Young Adult Conservation Corps, the impact is magnified. Recreation use continues to climb but the agency's ability to adequately operate and maintain recreation facilities is clearly diminishing. Wildlife, range and soil and water activities are being held at a constant level compared to '83; we would hope that these programs might be boosted at least to accommodate the effects of inflation.

Mr. Chairman, we appreciate the opportunity to testify before this Subcommittee. Thank you.

Senator McClure. Has the representative of the National Association of State Universities arrived? I understand Mr. Herrity from Mason Neck Citizens Association is here.

Mr. Herrity?

### STATEMENT OF JOHN F. HERRITY, CHAIRMAN, FAIRFAX COUNTY BOARD OF SUPERVISORS

Mr. Herrity. Good afternoon, I'm not a representative of the Mason Neck Citizens Association. I am the chairman of the Fairfax County Board of Supervisors, and the Mason Neck area comes within the jurisdiction of Fairfax County. I am here pleading the case of the Mason Neck Citizens Association.

My name is Mr. Herrity and I appear before you today on behalf of the Fairfax County Board of Supervisors who unanimously support the acquisition of the last remaining privately held critical area in Mason Neck Peninsula in order to complete the Mason Neck National Wildlife Refuge.

There are only 355 acres that are privately owned in the midst of this fine unique Potomac River-associated refuge. The establishment of Mason Neck National Wildlife Refuge—by the U.S. Fish and Wildlife Service—and Mason Neck State Park—by the Commonwealth of Virginia—were significant steps taken in the late 1960's and the 1970's to permanently protect nesting bald eagles and other significant resources in the area.

The Northern Virginia Regional Park Authority was to coordinate its acquisition of land with State and Federal agencies to further assure this protection, but because of the unavailability of Federal matching funds, the Northern Virginia Regional Park Authority—NVRPA—has been unable to complete this program.

In 1982 the Fish and Wildlife Service signed a lease with the NVRPA for the land contiguous to these inholdings in order to be able to control all of this area once it has been acquired. Agreeing that acquisition was absolutely necessary, Fish and Wildlife had planned to have this accomplished by 1985. Your appropriation is required before this purchase can take place.

I would stress three reasons to include this final 355-acre acquisition and draw your attention to the attached map to illustrate these points:

First, the special environmental value of this land is being imminently threatened. The inholdings are approximately one-quarter mile from a known nesting site of the great bald eagle, and endangered species of special importance to this Nation—and indeed one primary reason for designation and earlier acquisition of Mason Neck Refuge.

The land is three-quarters of a mile east of heron rookery, which is also extremely sensitive to human disturbance. Land use changes in this area would likely result in a loss of these nesting territories and reduction in available habitat.

Second, the county wishes to note the urgency of action to protect this land as proposed development is moving forward within these 355 acres. Some 296 acres were subdivided last fall for development, and it is our understanding that soil tests have recently been taken to determine septic and building suitability.

It is clear that unless Congress acts now to protect this tremendous natural resource, it may well be forever lost. Development will alter this surrounding wildlife refuge so much that its primary goal for establishment—protection of the bald eagle—will be rendered impossible to honor.

Third, although we realize fiscal prudence is of prime consideration, inaction would result in the waste of millions of dollars already spent by the Federal, State, and regional authorities on the surrounding parcels. Appropriation for the remaining 355 acres will protect the investment of the 4,734 surrounding acres and truly result in the preservation of the Mason Neck National Wildlife Refuge.

Mr. HERRITY. Any questions, Mr. Chairman?

Senator MCCLURE. Mr. Herrity noted that the land is surrounded on three sides——

Mr. HERRITY. Right smack down the middle, sir.

Senator MCCLURE [continuing]. By State lands. The Northern Virginia Park Authority or the Mason Neck State Park; is that correct?

Mr. HERRITY. That's correct.

Senator MCCLURE. You mentioned that the NVRPA has not been able to complete the program because the unavailability of Federal matching funds.

Mr. HERRITY. That's correct.

Senator MCCLURE. Have efforts been made by the State or the county to purchase the lands without Federal moneys?

Mr. HERRITY. Well, there are no State and local moneys available. Now, they are holding this under a lease and the whole thing will be under a 60-year lease if we can get these funds from the Federal Government.

Senator MCCLURE. The State did purchase the park authority lands—the State park lands, did they not?

Mr. HERRITY. That's correct.

Senator MCCLURE. And the Federal Government does have title to the refuge lands that are immediately adjacent to a portion of the State lands?

Mr. HERRITY. That's right.

Senator MCCLURE. What is the zoning on this land at the present time?

Mr. HERRITY. It's one unit per acre.

Senator MCCLURE. Has the county attempted to change the zoning?

Mr. HERRITY. No; there's no—right now, the status is that once the subdivision plat has been filed under the existing zoning and if the borings prove that the septic fields are viable, then the county realistically can't do anything to stop the development under this——

Senator MCCLURE. When was it zoned for subdivision?

Mr. HERRITY. Well, see, all the acres in Fairfax County—all the land in Fairfax County is zoned based on one unit per acre. That's the base zoning throughout the county.

Senator McClure. Well, does that mean then that anybody filing subdivision plat can never again have that zoning designation changed with Fairfax County?

Mr. Herrity. Pardon me? Oh, you can have it changed and the county could change it, but once the person has subdivided their land, there's a legal vesting that occurs and the county cannot at that point come in and change the zoning of the land.

Now, also, even if we were to change it, say, to one unit per 5 acres or whatever, we're still going to achieve the same results.

As a matter of fact, as a practical matter, I would suspect development would occur at one per 5 acres in here, but it still would be a subdivision development.

The county could not, without purchasing the land, deprive this person without—especially under Virginia law, and I can cite a couple of cases: *Almond* v. *Fairfax County* and *Williams* v. *Fairfax County*—cannot, when land has been planned—master plan at certain density, and once a person's paid taxes over a period of time—turn around and take the person's land under Virginia law, which is very strict in terms of property rights.

And also we're a Dillon rule State and the county only has so much of that power that is delegated to it specifically by the general assembly. And so our powers are limited especially in view of the subdivision of the land itself under the existing zoning.

Senator McClure. Am I correct that the 296 acres that has been subdivided is within the 355 acres?

Mr. Herrity. That's correct.

Senator McClure. Can the State and/or the county provide any moneys toward that acquisition to reduce the amount that might be required of Federal funds?

Mr. Herrity. There is none currently available, Senator.

Senator McClure. You're not a whale of a lot better than we are then, are you?

Mr. Herrity. That's correct. We just had our fiscal plan unveiled yesterday, if you've seen some of the local press you may have seen that it is rather a lean budget.

We do think this whole area has been a cooperative: county—and the county being the Regional Park Authority—State and Federal effort, and we hope to continue in that vein.

Senator McClure. Have you talked to Nature Conservancy or any of the other——

Mr. Herrity. Well, Nature Conservancy—I think if we got some indication that we were going to get the money ultimately to purchase this, that they would—I have personally met with them and I believe they would, if they got the idea that the money would ultimately become available, they would hold the land pending—it's purchase—but they don't seem, at least based on my discussions, want to move in that direction until they feel that money is going to be available in the reasonable future.

Senator McCLURE. Thank you very much.

Mr. HERRITY. I appreciate the opportunity of being here.

[The statement follows:]

### STATEMENT OF JOHN F. HERRITY

Good morning, Mr. Chairman, My name is Jack Herrity. I appear before you today on behalf of the Fairfax County Board of Supervisors, who unanimously support the acquisition of the last remaining privately-held critical area in the Mason Neck Peninsula in order to complete the 5,000 acre Mason Neck National Wildlife Refuge.

There remain only 355 acres that are privately owned, in the midst of this fine, unique Potomac River-associated 5,000 acre area refuge. The establishment of Mason Neck National Wildlife Refuge (by the U.S. Fish and Wildlife Service) and Mason Neck State Park (by the Commonwealth of Virginia) were significant steps taken in the late 1960's and 1970's to permanently protect nesting bald eagles and other significant resources in the area. The Northern Virginia Regional Park Authority (NVRPA) was to coordinate its acquisition of land with State and Federal agencies to further assure this protection, but because of the unavailability of Federal matching funds NVRPA has been unable to complete this program. In 1982, the Fish and Wildlife Service signed a lease with the NVRPA for the land contiguous to these inholdings in order to be able to control all of this area once it had been acquired. Agreeing that acquisition was absolutely necessary, Fish and Wildlife had planned to have this accomplished by 1985; your appropriation is required before this purchase can take place.

I would stress three reasons to include this final 355 acre acquisition and draw your attention to the attached map to illustrate these points:

First, the special environmental value of this land is being imminently threatened. The inholdings are approximately one-quarter of a mile from a known nesting site of the great bald eagle, and endangered species of special importance to this Nation—and indeed one primary reason for designation and earlier acquisition of the Mason Neck Refuge. The land is three-quarters of a mile east of a heron rookery, which is also extremely sensitive to human disturbance. Land use changes in this area would likely result in a loss of these nesting territories and a reduction in available habitat.

Second, the county wishes to note the urgency of action to protect this land as proposed development is moving forward within these 355 acres. Some 296 acres were subdivided last fall for development, and it is our understanding that soil tests have recently been taken to determine septic and building suitability. It is clear that unless the Congress acts now to protect this tremendous natural resource, it may well be forever lost. Development will alter this surrounding wildlife refuge to much that its primary goal for establishment—protection of the bald eagle—will be rendered impossible to honor.

Third, although we realize fiscal prudence is of prime consideration, inaction would result in the waste of the millions of dollars already spent by the Federal, State, and regional authorities on the surrounding parcels. Appropriation for the remaining 355 acres will protect the investment of the 4,734 surrounding acres, and truly result in the preservation of the Mason Neck National Wildlife Refuge.

Senator McCLURE. Next we will hear from the National Association of State Foresters, Leonard Kilian.

### STATEMENT OF LEONARD A. KILIAN, JR., PRESIDENT, NATIONAL ASSOCIATION OF STATE FORESTERS

Mr. KILIAN. Mr. Chairman and members of the committee, my name is Leonard Kilian. I am the State forester of South Carolina; however, I am appearing today as representative of the National Association of State Foresters.

We appreciate this committee's past support and the opportunity to appear and discuss the Forest Service State and private programs for 1984.

We have been made aware of the national problem with the economic situation and we agree with the need to balance the national budget; however, we were shocked when we saw the State and private forestry section of the President's 1984 budget for the Forest Service.

Our first shock came as we realized that the State and private portion of this budget represented only 1 percent of that total. The second shock came due in an analysis of the forest insect and disease management funds.

Actually, 69 percent of this small budget is designated to be spent on Federal lands and, therefore, cannot be considered a part of the funding for State and private lands. With pest management funds for Federal lands taken out, the true percentage is less than 1 percent, about 0.425 actually. Actually, all grants for States are eliminated.

Mr. Chairman and members of the committee, I am sure that you are aware that 50 percent of the total timber harvested in the United States comes from the lands under discussion. Twenty percent comes from national forest system lands, 30 percent from forest industry lands, and the remaining 50 percent fom the lands we're talking about.

The United States is a net importer of forest products already, and projections indicate that the demands for these resources will double by the year 2030.

For over 50 years a strong and effective partnership has existed with elements of the U.S. Forest Service, private industry and State and private forestry serving as an effective team working for good forestry practices in our Nation. Essentially, this budget deauthorizes the Cooperative Forestry Assistance Act of 1978 that Congress passed to help meet the national requirements for forestry goods and services.

We believe that the Federal Government has a role in national leadership of our forests and related natural resource including a viable working relationship in both State and private forestry and forest research.

This is not a scaled down budget, Mr. Chairman; it is a complete change. This budget recommendation virtually eliminates the Federal Government's partnership role in the protection of State and private forests and their development for the contribution to the national economy. We have lost any semblance of balance in the U.S. Forest Service budget.

Some of the specific programs that are affected are:

Forest fire prevention and control. We believe that the Federal Government does share fiscal responsibility for a portion of the State and private protection programs that benefit the national interest including disaster systems, future timber supply, recreational experiences, and the protection of life and property from fire.

With support restored to the 1982 level, the U.S. Forest Service can continue to meet these responsibilities through assistance in statewide fire planning, fire prevention, fire suppression, fuels management, and rural community fire assistance.

Forest pest management. In forest pest management, I am sure that you realize that forest insects and diseases do not recognize landowner-ship property boundaries. In many States ownerships are scattered and intermingled. Because of ths ownership pattern and the limited professional staffs with both Federal and State agencies, all pest control work must be done jointly.

A number of major forest insect infestations are now being experienced throughout the country and unless these funds are restored, the U.S. Forest Service as well as the States will not be able to accomplish critical work in detection, evaualation, prevention, and suppression of forest pests.

The rural forestry assistance—continued Federal support at the 1982 level—is essential if the States are to continue to take advantage of the opportunities to increase timber growth and harvest on these lands.

Failure to do this will seriously hamper efforts to resolve the future timber supply question, a problem that will eventually impact the entire Nation.

We have completed in conjunction with the U.S. Forest Service a number of up-to-the-minute analyses that show that our efforts were and are returning excellent results. We also have considerable evidence that the States without partnership and cooperative grants are not able to pick up the slack. If I had time, I would review what recently happened in New Jersey and what is happening in other States.

In summary, the State and private budget proposed for 1984 has these statistics:

The overall budget is down 60 percent from 1983: from $62.3 to $25 million.

Mr. Chairman, as you can see, there are severe problems for State and private forestry programs. We are eager to work with you and the committee on alternatives. We would like to answer any questions that you and the committee may have. We'd also like to submit additional testimony for the record since several of our State foresters have not had a chance to reply to this.

Senator McClure. We would welcome additional testimony and we will receive it when submitted if you can do it promptly. and I would also invite you—you indicated that if you had time you would review what recently happened in New Jersey and what has happened in other States.

I would invite you to submit that in writing, if you would.

Mr. Kilian. We certainly will, Mr. Chairman.

Senator McClure. Thank you very much.

Mr. Kilian. Thank you, Mr. Chairman.

[The statement follows:]

## STATEMENT OF LEONARD A. KILIAN, JR.

Mr. Chairman and Members of the Committee, my name is Leonard A. Kilian, Jr. I am the State Forester of South Carolina but appear here today to speak as President of the National Association of State Foresters. Our association consists of the agency heads of the 50 state forestry organizations of the nation. We appreciate this Committee's past support and the opportunity to appear and discuss the Forest Service State and Private Programs for 1984.

We were shocked at the State and Private Forestry section of the President's 1984 Budget for the Forest Service. Our first shock came as we realized that the State and Private portion of the Forest Service budget represented only one percent of the total Forest Service budget. The second shock came during an analysis of the forest insect and disease management funds. Actually, 69% of this small budget is designated to be spent on federal lands and therefore cannot be considered a part of the funding for State and Private forest lands. With pest management funds for federal lands taken out, the true percentage is 0.425%! Actually all grants to states are eliminated.

Mr. Chairman and Members of the Committee, I'm sure you are aware that 50% of the total timber havested in the United States comes from the lands under discussion. Twenty percent comes from National Forest System Lands, 30% from forest industry lands and the remaining 50% from other private lands.

The United States is a net importer of forest products already, and projections indicate that the demands for these resources will double by the year 2030. We do not believe that now is the time to reduce forest protection and other programs that benefit the lands that are producing over half the forest products now being consumed. In recent years, this nation has struggled with a balance of payments problem. Wood products from private forest lands can be increased further. Proper attention and adequate funding will yield benefits not only for the individual landowners and the forest industry processors, but more importantly, from this Committee's point of view and responsibility, will assist in attaining national goals of self-sufficiency and future export levels that will help bring about more favorable balance of payment figures.

For over 50 years, a strong and effective partnership has existed with elements of the US Forest Service, private industry, and State and Private Forestry serving as an effective team working for good forestry practices in our nation. Essentially, this proposed budget deauthorizes the Cooperative Forestry Assistance Act of 1978 (P.L. 95-313) that Congress passed to help meet national requirements for forestry goods and services. We believe the federal government has a role in national leadership of our forests and related natural resources, including a viable working relationship in both State and Private Forestry and Forest Research.

Gentlemen, this is not a scaled down budget - it is a complete change. This budget recommendation virtually eliminates the federal government's partnership role in the protection of state and private forests and their development for contribution to national economy. We have lost any semblance of balance in the US Forest Service budget.

Specific programs affected are:

### Forest Fire Prevention and Control

Federal-state cooperation in wildland forest fire protection has existed since 1911 when the Weeks Law was passed. Cooperative fire control expanded in 1924 with the passage of the Clarke-McNary Law. The 1978 Cooperative Forestry Assistance Act replaced the earlier legislation and reemphasized the partnership role between the federal government and the states to protect state and private forest resources.

During the last 70 years, an improved level of prevention and protection has reduced the national annual acreage burned from 40 million acres to about 5 million acres.

We believe that the federal government shares the fiscal responsibility for a portion of state and private forest protection programs that benefit the national interest, including disaster assistance, future timber supply, recreational experiences, and protection of life and property from fire. With support restored to the 1982 level, the US Forest Service can continue to meet these responsibilities through assistance in statewide fire planning, fire prevention, fire suppression, fuels management, and rural community fire assistance.

## Forest Pest Management

Forest insects and diseases do not recognize land ownership property boundaries. In many states, ownerships are scattered and intermingled. Because of this ownership pattern and the limited professional staffs with both federal and state agencies, all pest control work must be done jointly. In the 1960's, the federal government began assisting the states by financing a portion of their cooperative effort. If these funds are not restored, this work will not be done and the damage done may eventually become more serious, affecting federal lands as well as state and private forest lands.

A number of major forest insect infestations are now being experienced throughout the country. Unless these funds are restored, the US Forest Service, as well as states, will not be able to accomplish critical work in detection, evaluation, prevention, and suppression of forest pests.

## Rural Forestry Assistance Program

The Rural Forestry Assistance Program (RFA) provides support for the Service Forestry program to increase growth and harvest on these private forests. RFA funds help provide technical advice and management planning assistance to these owners. These funds also help insure that genetically improved forest tree seed is made available to these owners from state tree seed orchards to help increase growth from these lands.

Continued federal support at the 1982 level is essential if the states are to continue to take advantage of the opportunities to increase timber growth and harvest on these lands. Failure to do this will seriously hamper efforts to resolve the future timber supply question, a problem that will eventually impact the entire nation.

We have completed several up-to-the-minute analyses that show our efforts were and are returning excellent results - we also have considerable evidence that the States, without partnership and cooperative grants, are not able to pick up the slack. If I had time, I would review what recently happened in New Jersey and what is happening in other states.

In summary, the State and Private Budget proposed for 1984 has these statistics:

- Overall budget down 60 percent from 1983 (from $62.3 million to $25 million).
- Financial assistance to states almost eliminated - down $31.7 million from 1983.
- Forest Management Assistance to private woodland owners will decline by 75 percent. (Reforestation and wood products will decline by close to a like amount. There is not enough industry help or private consultants to pick up the slack even if that is the intent.)
- State job losses = 1,150.
- Forest Pest Management - down $10.3 million from 1983 - no financial assistance to states.
- Insect and disease suppression on non-federal lands will be discontinued - down $7 million from 1983. Major problems are the gypsy moth, Southern pine beetle, and Mountain pine beetle.
- Fire Protection - down $11.7 million from 1983.
- Forest Management and Utilization - down $12.1 million from 1983.

Mr. Chairman, as you can see, there are severe problems for State and Private Forestry programs, and we are eager to work with you and the Committee on alternatives.

Mr. Chairman, we were a little surprised at the promptness of these hearings and would like to submit some additional testimony for the record. Also, some of the other State Foresters who could not be here today, but feel as we do, would like to submit statements. We request permission to submit additional testimony before the record is closed.

Senator McClure. I see our colleague, the junior Senator from the State of Montana is here. I assume he's here to introduce the next witnesses.

I call on Senator Baucus. Glad to have you here.

Senator Baucus. Thank you very much, Mr. Chairman.

Mr. Chairman, I very much appreciate the opportunity to appear before the subcommittee to underscore my support for a strong abandoned mine land—AML—program.

I know that your full schedules will be very, very brief. While tales of cowboys receive the most attention on television and the movies, the more recent history of the West is filled with mining activity from mother lode to the richest hill on earth.

Unfortunately, sound reclamation policy was not a national concern then as it is now. Across the West the scars remain: hazardous tailing dumps, acid mine drainage, and mine fires.

The abandoned land mines program administered by the Office of Surface Mining is fully capable of addressing these serious problems, so I am here today to ask that the program be funded at an accelerated level to allow States such as Montana to address serious health and safety problems immediately.

This is not a budget-busting proposal. The abandoned mine lands program is funded by a tax on coal production that is dedicated to reclamation projects exclusively.

I am told that more than $600 million lie in fallow in the AML account the end of this fiscal year. This makes no sense. The manpower is available. Unemployment in the mining industry is at record levels, as you know. States are ready to act and grant requests from the Western States far outstrip the Office of Service Mining budget request.

The need is there. Priority sites for the protection of public health and safety exist across the country, and to provide a better understanding of the program, Mr. Chairman, I am pleased to introduce to you two Montanans who are very well qualified to address the particulars of the program.

First, to my immediate right is Mr. Tim Gallagher, who's a senior administrative assistant to the Governor of our State, Gov. Ted Schwinden, who's worked very long and hard in this area in this project, and next to him on his right, your extreme left, is Mr. Juntunen, Dick Juntunen. He's the chief of the abandoned mine lands program in the State of Montana.

As you know, Mr. Chairman, there's strong support for this program, particularly in my State of Montana. I know that Western Governors are forming the phalanx of support to increase this effort as well because we have to spring loose some of these funds in order to reclaim lands that are lying unreclaimed.

Thank you very much, and I must regret to say that I must take off for another commitment, but both Dick and Tim will be very glad to speak.

Senator McClure. Thank you very much, Senator. We are pleased to have you here and pleased to have your friends from Montana here before the committee.

## STATEMENT OF TIM GALLAGHER, SENIOR ADMINISTRATIVE ASSISTANT TO THE GOVERNOR OF MONTANA

### ACCOMPANIED BY DICK JUNTUNEN

Mr. GALLAGHER. Good afternoon, Mr. Chairman. As Senator Baucus has said, my name is Tim Gallagher, I am a senior administrative assistant to Governor Schwinden. I'm appearing here today on his behalf as well as chairman of the Western Interstate Energy Board.

With me, as the Senator also mentioned, is Mr. Dick Juntunen. Mr. Juntunen follows me on the witness list; however, he will not be submitting any specific testimony but is prepared to answer any specific questions that you may have.

I have with me a supplemental document which I've left with your secretary from North Dakota that I would like to also submit for the record, if I may, Mr. Chairman.

Senator MCCLURE. It will be made a part of the record when submitted.

Mr. GALLAGHER. Thank you.

I'm going to skip over sections of my prepared text in the interest of time and concentrate on those sections most relative to Montana.

First and foremost is project appropriations. The Western States fully support the concept of substantially increasing funding at this time of recession in the mining industry and high unemployment in mining areas. Approprating AML funds would contribute to economic recovery in the mining areas without raising new taxes or adversely impacting efforts to balance the budget.

Because the program requires neither expenditure from the general revenues or the imposition of additional taxes, it makes little sense not to put these dollars to work. Retaining those funds in the Treasury sidesteps the congressional commitment to repair past environmental damages caused by mining.

States are willing and ready to act. The major constraint on the current level of progam efforts is the availability of funds. The table in my prepared text shows the Western States' grant request for the AML program in fiscal year 1983 and fiscal year 1984 and the OSM budget requests for the same years.

The combined 2 years' shortfall is $53.6 million for construction grants. State administrative grants and other projects add another $11.5 million. Thus, total Western State needs for fiscal year 1984 is $113 million, more than twice what OSM has proposed.

We request that the full amount be made available for expenditure under the State AML programs.

Second is project priorities. OSM is establishing project priorities for State-share AML funds through its extensive use of the AML national inventory. OSM's interpretation of the priorities in section 403 of the act are overly strict and inflexible.

This rigid interpretation is not reflected in the legislative history and denies the opportunity for States to tailor AML programs to their needs. Further, the national inventory is seriously flawed as evidenced in the testimony submitted from North Dakota.

In addition, the inventory does not include noncoal sites.

Montana's 1980 cooperative agreement request included several noncoal projects and a detailed documentation package acompanied the grant application. The noncoal projects were not funded.

The noncoal projects were resubmitted with an additional clarifying documentation in the State's grant application in February 1982. Throughout the grant application process the State received no direction about noncoal projects, even though OSM had been aware of the projects and the State interest in funding them since 1980.

Funding for the noncoal sites was denied because OSM did not agree that the sites posed a threat to public health and safety.

OSM is overly restrictive in its interpretation of section 409(c) of the Surface Mining Control and Reclamation Act of 1977. The key phrase in 409(c) regarding the eligiblity of noncoal sites is reclamation projects must be relating to the protection of the public health and safety.

Federal and State public officials have adequately documented the public health programs at the sites. The reclamation would be performed with Montana's share of the fund as specified in the approved State plan.

We request that the Appropriations Committee direct OSM to allow States to establish their own priorities for State AML funds under the guidance of sections 403 and 409 of the act with OSM having a post-project oversight role.

It is not clear to us in the West how OSM allocates State AML funds. This is further louded by the inclusion of Federal AML funds with State funds in OSM's budget. It appears, from the budget text, that this comingling offers the opportunity for OSM to use the inventory as an allocation tool.

This is unacceptable to the Western States. An alternative approach is to provide sufficient funds so that the State requests can also be met.

The OSM grant process requires the annual resubmission of many details of a State AML program. This duplicates materials included in the original approved AML programs. Many other grant requirements necessitate subjective interpretations which lead to needless back and forth communications which contribute little to the actual accomplishment of the projects.

A recent Montana grant submittal required 100 worker days to prepare.

Senator McCLURE. Thank you very much. I'm sorry the time runs so quickly.

Mr. GALLAGHER. Thank you, Mr. Chairman.

Senator McCLURE. If more money were available to the States for obligation under this program, how quickly could you move into the expenditure of those funds?

Mr. GALLAGHER. I believe almost immediately, but I'll defer to my colleague, Mr. Juntunen.

Senator McCLURE. "Almost immediately" is a relative term. Sometimes judged by other political reactions that might be measured in years.

Mr. JUNTUNEN. I can't speak for the other States, Mr. Chairman, but Montana did request over $12 million back in 1980 to start on design and construction projects.

We were ready and willing to spend that money with about a 1-year lag, so we felt in 1981 and 1982 we could fund much higher level projects.

Our initial grant last year was deferred. $3.3 million of that grant request was deferred by OSM because they were noncoal projects. So we are ready and able to fund much higher——

Senator MCCLURE. Well, let's set aside the question about whether noncoal qualifies or not for a moment. Are those projects already—you have got your implementation plan design there—are you ready to go to contract on them if you had money?

Mr. JUNTUNEN. We have three of them in the design stage right now, and we could fund those this summer.

Senator MCCLURE. Excuse me?

Mr. JUNTUNEN. We could start construction on those this summer if they were approved.

Senator MCCLURE. I think there is an opportunity to try to move some of this through the jobs bill is the reason I am asking, and one of the criteria that I think we will insist on, if there is to be a jobs bill, it must translate into almost immediate employment opportunity. Otherwise, it simply doesn't do what it was intended to do. That is the reason for my question.

Outside of the noncoal projects, would you be able to move other projects forward that fast?

Mr. JUNTUNEN. Yes; we could at an accelerated level. OSM has placed some restrictions, and the primary restriction we have is the granting requirements require the exhorbitant amount of man-days to prepare and get ready for them. But given necessary time there, we could start on construction within a year.

Senator MCCLURE. What is that necessary time?

Mr. JUNTUNEN. I would say necessary—if we were given approval for increased funding, it would probably be a 1-year lag from approval to construction.

Senator MCCLURE. Thank you. Thank you both very much for your testimony.

[The statement follows:]

## STATEMENT OF TIM GALLAGHER

Good afternoon, Mr. Chairman and members of the Committee, my name is Tim Gallagher and I am a Senior Administrative Assistant to Governor Ted Schwinden of Montana. I am appearing here today on his behalf, and also as Chairman of, the Western Interstate Energy Board. With me is Mr. Dick Juntunen, Chief of Montana's Abandoned Mine Land (AML) program. Mr. Juntunen is prepared to answer specific questions on Montana's AML program for any members of the Committee.

### ABANDONED MINE RECLAMATION PROGRAM

**PROJECT APPROPRIATIONS:** The Western states fully support the concept of substantially increasing funding at this time of recession in the mining industry and high unemployment in mining areas. Appropriating AML funds would contribute to economic recovery in the mining areas without raising new taxes or adversely impacting efforts to balance the budget. Because the program requires neither expenditure from general revenues nor the imposition of additional taxes, it makes little sense not to put these dollars to work. Retaining those funds in the Treasury sidesteps the Congressional commitment to repair past environmental damages caused by mining.

States are ready and willing to act. The major constraint on the current level of program efforts is the availability of funds. The following table shows the Western states' grant requests for the AML program in FY '83 and FY '84 and the OSM budget requests for the same years.

| State | Fiscal Year '83 | | Fiscal Year '84 | |
|---|---|---|---|---|
| | State Grant Requests | OSM Budget Estimate | State Grant Requests | OSM Budget Estimates |
| Colorado | 5,500,000 | 4,300,000 | 11,515,000 | 2,300,000 |
| Montana | 8,646,000 | 4,700,000 | 8,500,000 | 5,800,000 |
| New Mexico | 5,900,000 | 2,800,000 | 5,200,000 | 5,100,000 |
| North Dakota | 2,000,000 | 4,000,000 | 4,250,000 | 1,700,000 |
| Utah | 1,500,000 | 1,000,000 | 2,100,000 | 2,000,000 |
| Wyoming | 40,000,000 | 10,000,000 | 40,100,000 | 37,900,000 |
| TOTAL | 63,546,000 | 26,800,000 | 71,665,000 | 54,800,000 |

The combined two years short-fall is $53.6 million for construction grants. State administrative grants and other projects add another $11.5 million. Thus, total Western state needs for FY '84 is $113 million, more than twice what OSM has proposed. We request that the full amount be made available for expenditure under the state AML programs.

**PROJECT PRIORITIES:** OSM is establishing project priorities for state-share AML funds through its extensive use of the AML National Inventory. OSM's interpretation of the priorities in Section 403 of the Act are overly strict and inflexibile. This rigid interpretation is not reflected in the legislative history and denies the opportunities for states to tailor AML programs to their needs. Further, the National Inventory is seriously flawed, as evidenced in the accompanying statement of North Dakota and other states' testimony in the House and Senate AML oversight hearings. In addition the inventory does not include non-coal sites.

States with approved AML programs have the capabilities to establish project priorities under the provisions of the Federal Act and their approved programs. The fear that urgent reclamation work will go unaddressed under a state-lead AML program is unfounded. State program directors are more sensitive to the local reclamation priority issues than are Federal OSM employees. Section 405(d) grants to the states "exclusive responsibility and authority to implement the provisions of the approved (AML) program", and it is time for OSM to live up to that legislative mandate for the states.

Montana's 1980 cooperative agreement request included several non-coal projects, and a detailed documentation package accompanied the grant application. The non-coal projects were not funded. The non-coal projects were re-submitted with additional clarifying documentation in the State's grant application dated February 2, 1982. Throughout the grant application process the State received no direction about non-coal projects even though OSM had been aware of the projects and the State's interest in funding them since 1980. Funding for the non-coal sites was denied because OSM did not agree that these sites posed a "threat to public health and safety."

Data from our Montana Water quality Bureau and the U.S. Environmental Protection Agency clearly document and corroborate the Department of State Lands' position on the non-coal sites. The Alta, Colorado Tailings, and McLaren Mill Tailings projects are necessary for the protection of human health and safety. The sites have been studied extensively for many years by state and federal officials. The Colorado Tailings site has been described as the worst problem on Silver Bow Creek. Silver Bow Creek, incidentally, is rated #1 on the EPS Super Fund List nomination for Montana and #24 nationally!

OSM is overly restrictive in its interpretation of Section 409(c) of the Surface Mining Control and Reclamation Act of 1977. The key phrase in 409(c) regarding the eligibility of non-coal sites is "reclamation projects (must be) relating to the protection of the public health and safety." Federal and state public officials have adequately documented the potential public health problems at the sites. The reclamation would be performed with Montana's share of the fund as specified in the approved state plan.

We request that the Appropriations Committee direct OSM to allow states to establish their own priorities for state AML funds, under the guidance of Section 403 and 409 of the Act with OSM having a post-project oversight role.

**ALLOCATION OF STATE AML FUNDS:** It is not clear to us in the West how OSM allocates state AML funds. This is further clouded by the inclusion of Federal AML funds with state funds in OSM's budget. It appears, from the budget text, that this co-mingling offers the opportunity for OSM to use the Inventory as an allocation tool. This is unacceptable to the Western states. An alternative approach is to provide sufficient funds, so that state requests can also be met.

**EXCESSIVE AML GRANT REQUIREMENTS:** the OSM grant process requires the annual re-submission of many details of a state AML program. This duplicates materials included in the original approved AML programs. Many other grant requirements necessitate subjective interpretations, which lead to needless back and forth communications which contribute little to actual accomplishment of projects. A recent Montana grant submittal required 100 workerdays to prepare. Colorado recently expended 448 workerdays on a similar grant application... that amounts to five people working full-time for four to five months! A number of states have found that OMS's insistance on pre-approval field visits to each project site substantially lengthens the review process. We believe that the process for disbursing state AML funds to states with approved programs can be streamlined. We welcome the Committee's support in such an effort.

**SUBSIDENCE INSURANCE:** Wyoming has requested use of state-share AML funds for subsidizing a private subsidence insurance program under state auspicies. We believe the Committee should encourage OSM to allow such expenditures as a valid approach to subsidence reclamation.

## REGULATORY PROGRAMS

**COOPERATIVE AGREEMENTS:** Section 523 of PL 95-87 authorizes the Secretary, as part of the Federal Lands Program, to allow states to regulate coal mining on Federal lands through Cooperative Agreements. This Section also specifies that the "requirements of the approved state program", at a minimum, be included in the Federal Lands Program for the states. Section 705(c) allows the Secretary to reimburse the states for undertaking regulation through Cooperative Agreements in an "amount approximately equal to the amount the Federal government would have expended for such regulation..." Thus, the requirements of an approved state program as applied in a Cooperative Agreement becomes the basis for estimating the Federal grant to the state.

In August, 1982, OSM changed the basis for funding Cooperative Agreements, and this has adversely impacted the Western states of Utah and Wyoming. The basis for these changes are, in effect, unilateral revisions to the administration and implementation of the approved state programs. We believe these changes do not fulfill the mandate of Section 523. It is estimated an additional $510,000 is required: $260,000 for Wyoming, and $250,000 for Utah for the Federal funding of these Cooperative Agreements in FY '84. Note that this will result in decreases in state program estimates for these states, so the actual budget impact is significantly less than $510,000 additional requested, since excess funds in the A&E Budget can be transferred to the cooperative Agreement Budget.

With respect to Table 3 concerning state A&E grants, the "FY '84 estimated program grant" for Colorado is insufficient. That amount should be $150,000, and the total program level $300,000. It appears that this is just an oversight.

**PROGRAM INCOME:** OSM decided last year that civil penalties resulting from enforcement would be considered "program income." As a "program income", any amount collected exceeding the state's share of program support is deducted from the Federal share of the grant. Thus, a vigorous enforcement and assessment program penalizes the state by reducing Federal funds. This has occurred in Utah. This year's penalty is over $78,000 and may double next year. Such a decision by OSM is in conflict with legislative history, which clearly separated financial support for the regulatory program from permit fees and penalties. Further, such a ruling extends the arm of the Federal government to the disposition of state revenues; the authority to collect penalties does not come from Federal law. We request that this decision be rescinded and sufficient funding be provided for state programs and Cooperative Agreements without accounting for such a credit.

In summary our primary problems with OSM exist in the areas of stringent interpretations of Sections 403 and 409. The granting requirements adopted by OSM are also very time consuming. I thank you for this opportunity to testify. On behalf of my associate Mr. Juntunen, Governor Schwinden and the State of Montana, thank you for your continued consideration of these important matters.

Senator McClure. We will next hear from the National Humanities Alliance, Mr. Lawrence Reger.

## STATEMENT OF LAWRENCE REGER, CHAIRMAN, THE NATIONAL HUMANITIES ALLIANCE

Mr. Reger. Thank you, Mr. Chairman.

The National Humanities Alliance is a coalition of 53 national organizations dedicated to the advancement and the promotion of the humanities.

As an organization, we want to express our appreciation for this committee's support over the last 2 years. We believe that your help has been key in encouraging the President to increase his commitment and support for the importance of the humanities.

This is reflected in the President's recent statement that "We must never forget that it is the humanities, their study, their preservation, and their growth, that provide the intellectual underpinnings for our values as a civilization. The humanities are crucial to the vitality of our Nation's educational and cultural life and the maintenance of our civilization."

In our written testimony, we have identified important areas in the humanities that need special attention. These are areas that should be addressed on a long range and comprehensive basis.

We are not referring to just increases in money, but the need for leadership, planning, and coordination, and also the involvement of the private as well as the public sector.

The Humanities Endowment has already taken some initial steps to plan and test some programs in each of these areas. We hope the committee will consider increasing support in these areas over the fiscal 1983 level that you approved.

I would like to cite just a few examples. In the area of preservation of books, documents, and objects, which are deteriorating at an alarming rate, we need to augment the pilot program that has been in existence at the Humanities Endowment for the last couple of years at the $400,000 level.

That program is now ready to be expanded and to take care of some critical needs now, and at the same time funds are needed to develop a long-term strategy.

In another area, the Chairman of the Endowment, William Bennett, has already made a significant step in initiating a small program of summer institutes for elementary and secondary school teachers. While the administration's budget calls for a small increase, we believe that even more support is needed in this area to improve the teaching of the humanities in elementary and secondary schools.

The last area we would call to the committee's attention is the need for support that encourages an increased private sector commitment to the humanities and to State humanities councils.

We hope that the committee will consider an increased appropriation, again over the fiscal 1983 level, for challenge grants and Treasury funds.

Thank you very much for your time.

Senator McClure. Thank you very much for your detailed statement. It is very helpful to us. I appreciate it.

Mr. Reger. Thank you.

Senator McClure. Thank you.

[The statement follows:]

## STATEMENT OF LAWRENCE L. REGER

I am Lawrence L. Reger, Chairman of the National Humanities Alliance, a coalition of fifty-three membership organizations dedicated to the promotion of support for the humanties. I come to talk to you about the life of the mind in this country and the role of the National Endowment for the Humanities (NEH) in supporting that aspect of our national life.

President Reagan said recently, "We must never forget that it is the humanities--their study, their preservation and their growth--that provide the intellectual underpinnings for our values as a civilization...the humanities are crucial to the vitality of our Nation's educational and cultural life and the maintenance of our civilization." The members of the National Humanities Alliance agree completely with the President, and it is for this reason that we come before you to discuss the proposed 1984 budget for the NEH.

The administration's proposed NEH 1984 budget is for $112.2 million, a 14% reduction from this year's budget of $130 million. The request before you proposes doing some very good things. However, the cuts requested will undoubtedly depress overall activity in the humanities and will have significant negative impact on a few specific areas. I will describe briefly the likely positive and negative impact of this budget.

Among the proposals made in this request, my colleagues and I are most especially impressed by the new program called Travel to Collections. Implementation of this program, which would make small but significant grants to scholars for travel to research collections at libraries, museums and other institutions, would be an excellent example of agency responsiveness to needs in the field with an inexpensive, effective proposal. I am also pleased with the agency's plans to expand the new program of Summer Seminars for Secondary School teachers. I understand that applications to this year's fifteen seminars far exceed the agency's capacity to respond--the thirty to forty seminars planned for next summer will enable the agency to come closer to meeting the clear need and interest in this very special program.

The fact that these excellent programs are underway should not distract our attention from the fact that the basic thrust of this budget is one of reductions throughout the NEH. I would like to draw your attention in particular to two areas where the impact of reductions will be particularly damaging. One is Basic Research, in the Division of Research Programs. It is through this program that such major projects as Dumas Malone's Jefferson biography, Emmett Redford's history of the Johnson presidency, and the Newberry Library's work on Native American tribes have been funded. Basic Research is proposed for combination with Regional Studies, and the combined budget for these programs would be cut by $1.2 million. Given the stiff competition for grants from Basic Research, and the significance of the kinds of projects funded, the size of this reduction is most unfortunate.

The area of the NEH's work that would experience the largest reduction--from $25 million to $15 million, or more than a third--is the Division of General Programs. The projects funded by this division reach primarily those members of the general public who, because they are no longer in school, do not have regular access to the scholarship and curricular initiatives that form the bulk of the Endowment's work. Museums, historical societies, libraries, and public radio and television stations are the institutions that customarily conduct these projects. In an age as complex as our own, it is essential that as broad as possible a range of our citizenry continue to have opportunities for education and enlightenment. These kinds of opportunities are provided by the Division of General Programs, therefore we must oppose the large reduction requested here.

The NEH, in this budget and past budgets, gives high priority to its programs which stimulate matching from the private sector, namely Treasury Funds and Challenge Grants. As one who believes in the importance of diverse support for our enterprises, I applaud this priority. The NEH has recently completed a study of the Treasury Funds matching mechanism; the study concluded that this mechanism has generally been quite successful. The study did, however, point out that there are some instances in which private funds have proven all but impossible to raise. I hope that the NEH administration continues to be judicious in its allocation of these funds, giving them to those who can best raise private dollars and acknowledging that in many cases no amount of federal stimulus is likely to produce the desired end.

The tendency at times such as this is to focus exclusively on short-term gains and concerns. While the problems that would result from these cuts should not be underestimated, I would like to look briefly at some areas of need that are not being sufficiently addressed even now, and would have even less potential for attention if the NEH budget is reduced. These areas are far from being the responsibility of the NEH alone--all parties in the world of the humanities have responsibility in meeting these challenges. I proffer this short list of needs in hope of being suggestive of opportunities to which all of us who care about the humanities should give our best attention in the years ahead.

Preservation The books, documents and objects that make up our nation's cultural heritage are deteriorating at an alarming rate. A recent Council on Library Resources report on library holdings paints a bleak picture of collections in which fifty to eighty percent of the materials are in an advanced stage of deterioration. It is gratifying to note that the small preservation program at the NEH is one of a handful of programs not scheduled for reduction in 1984. However, there is more that needs to be done, and this agency and all of us who use these endangered resources should devote leadership and funding to this critical area.

Elementary and Secondary Education Report after report has decried the state of the teaching of the humanities in elementary and secondary schools, so I am hardly the first to bring this issue to your attention. The report of the Commission on the Humanities and the NEH have given priority to this area. Summer Seminars are the latest in a series of initiatives aimed at giving teachers opportunities they need to improve the quality of their own work. If superb activities such as these are to avoid the "drop in the bucket" syndrome in this vast field, additional planning and leadership, not to mention funds, will be necessary.

Young Scholars It is no longer a secret that young scholars in the humanities are leaving their fields in droves because of the absence of professional opportunities for them. The demographics of contemporary America make this, to a certain extent, inevitable, and there may even be cases where this trend is healthy. However, it is also true that individuals with the potential for making significant contributions to knowledge are leaving scholarly life, and that when positions open up, as they will in the next decade, some of the best will have gone on to other professions. I hope that we can all put our heads together soon to decide what can be done to alleviate this situation in all the disciplines of the humanities.

Institutions All these activities take place within the context of institutions where the humanities are allowed to flourish. Colleges and universities are prominent among these, however, there are other kinds of institutions, with financial bases even more precarious, whose health is essential to the future of humanistic learning. These include research libraries, museums, historical societies, and learned societies. The responsibility for the financial security of these institutions lies, I am convinced, primarily in the private sector, but the national interest in maintaining the stability of these conservators of our history and culture is undeniable. I hope we can continue to explore together ways to ensure that these institutions continue accessible, efficient, and wise operations.

State Humanities Councils The growth of state humanities councils during the past ten years has been gratifying to all of us who believe that a broadly educated citizenry is essential to the well-being of this nation. These committees have become an integral part of the network through which scholarship and learning in the humanities are developed and disseminated. The primary challenge the committees will face in the future is to continue to grow stronger in a period when the federal funds that are their chief means of support are not likely to keep pace with demand for their programs. I hope that this committee will be willing to work closely with the NEH, the National Federation of State Humanities Councils, and the state councils themselves to ensure adequate funding for the states in the future, to encourage their independence while retaining accountability, and to enhance their programs without sacrificing accessibility.

The members of the National Humanities Alliance ask that this commitee reject as it has for the last two years the budget reductions that have been proposed for NEH in 1984. We also ask that you appropriate additional funding for the agency for assistance in meeting the needs described above. A hold even budget barely meets current needs at the agency; it will not help with addressing the challenges facing us in the years ahead. We ask for your help so that we may proceed with the work ahead of us.

Senator McClure. We will next hear from the Defenders of Wildlife, Ronald Mack.

## STATEMENT OF RONALD MACK, REPRESENTATIVE OF DEFENDERS OF WILDLIFE

Mr. Mack. Mr. Chairman, I am Ronald Mack. I am representing Defenders of Wildlife.

Defenders is a private, nonprofit organization devoted to representing the best interests of wildlife in governmental decisions.

Last year's reauthorization of the Endangered Species Act demonstrated our Nation's overwhelming bipartisan commitment to the protection of endangered and threatened species.

This committee recognized this commitment by restoring funds to several endangered species programs that had been proposed for substantial cuts or elimination by the administration in fiscal year 1983.

The fiscal year 1984 budget for the U.S. Fish and Wildlife Service again proposes severe reductions in endangered species programs. If these cuts are implemented, the endangered species program will be stripped of much of its effectiveness.

The Bureau of Land Management wildlife efforts are suffering major setbacks as well.

Due to time considerations, I will just highlight the main points of my testimony.

Four areas, in particular, of endangered species funding are of concern to Defenders of Wildlife.

No. 1 is the listing process. Just prior to the reauthorization of the Endangered Species Act, the listing process slowed to a trickle. To rectify this situation, the Endangered Species Act was amended so that listing would be revitalized.

To comply with these amendments and to get the listing process back on track, the Interior's Office of Endangered Species will require additional funding. We, therefore, urge the members of this committee to add $1.5 million to the administration's fiscal year 1984 budget for Fish and Wildlife Service listing activities.

No. 2 is the State grants program under section 6 of the Endangered Species Act. For the third year in a row the administration's budget has zero funded this program. Fortunately, last year Congress saw fit to restore $2 million to this program.

A good example of the impact of eliminating these funds was given to me by the coordinator of the nongame program in the Idaho Fish and Game Department. These section 6 funds would make possible research into cross-fostering of bald eagles in Idaho. If successful, this process could be a breakthrough in efforts to reestablish bald eagle populations in the United States. Currently, Idaho has only 12 to 14 nesting bald eagles.

In cross-fostering, ospreys, which have a healthy population in Idaho, would act as surrogate mothers to introduce eagle nests. If successful, cross-fostering could replace expensive hacking programs. Hacking is where eagles are raised in semiwild conditions and field personnel release the eagles as fledglings.

This cross-fostering is still very experimental, but without section 6 funds its potential may never be realized.

Defenders request that $4 million be appropriated for fiscal year 1984 grants to the States.

No. 3 is law enforcement. The effectiveness of endangered species legislation depends on the ability of field agents to enforce its regulations. Last year Senator Cochran of this committee worked to ensure that law enforcement activities were adequately funded.

They are distressed to learn that the administration's fiscal year 1984 budget proposal has cut law enforcement funding by almost $1 million. Defenders request that at least $1 million be added to the administration's fiscal year 1984 budget for Fish and Wildlife Service law enforcement activities.

No. 4 is the BLM wildlife programs. There are currently 78 species of plants and animals listed as threatened or endangered inhabiting BLM lands. BLM is a cooperating agency in recovery plans for 24 of these species.

In order that BLM take an active, positive role in the conservation of the 24 endangered and threatened species, for which plans have already developed and involve BLM as a cooperator, funding above the administration's request is imperative to meet the species recovery need and to provide adequate funding for consultation and coordination with other programs, such as rangeland management, oil, and gas. An increase of $3 million for threatened and endangered species work is essential.

In concluding, we would like to commend the chairman and members of the subcommittee for their concern for endangered species.

We appreciate the opportunity to comment on the proposed budget and welcome any questions you may have.

Senator McClure. Thank you very much, Mr. Mack.

As I recall, there were some black-footed ferret in the Badlands. Is that correct?

Mr. Mack. Yes.

Senator McClure. What has happened there?

Mr. Mack. They are in the midst of a recovery program. Are you referring to on the BLM land?

Senator McClure. It was in the Badlands, but I can't recall whether that is BLM or not.

Mr. Mack. I think it is. I talked with someone, the biologist at BLM, a couple of weeks ago, and they said they have a recovery plan for the ferrets, but it has been substantially scaled back.

Senator McClure. Thank you very much. I appreciate your testimony, Mr. Mack.

[The statement follows:]

### Statement of Ronald K. Mack

I am Ronald Mack, representing Defenders of Wildlife (1244 19th St., N.W., Washington, D.C.). Defenders is a private, nonprofit organization devoted to representing the best interests of wildlife in governmental decisions.

Last year's reauthorization of the Endangered Species Act demonstrated our Nation's overwhelming, bipartisan commitment to the protection of endangered and threatened species. Congress recognized this commitment by restoring funds to several endangered species programs that had been proposed for substantial cuts or elimination by the administration in fiscal year 1983.

The fiscal year 1984 budget for the U.S. Fish and Wildlife Service (FWS) again proposes severe reductions in endangered species programs. If these cuts are implemented, the endangered species program will be stripped of much of its effectiveness. The Bureau of Land Management (BLM) wildlife efforts are suffering major setbacks as well.

In the following remarks, I will identify programs and funding levels which we feel are necessary to identify, protect, and restore endangered and threatened species.

1. *The listing process.*—The listing process is the foundation of efforts to protect thousands of species which qualify as threatened or endangered. The 1982 amendments to the Endangered Species Act revitalized the listing process. The FWS will require additional funding to implement these much needed changes. For example, those species which have not been listed due to nonbiological considerations must be reconsidered. This will create a workload over and above the routine listing process, already backlogged. Also, the FWS is currently adjusting its priority system for listing to reflect recent concern for invertebrates and plants. To adequately protect these species which often have valuable applications to agriculture and medicine, the FWS will require additional funding for field personnel and research. We urge the members of this subcommittee to add $1.5 million to the administration's fiscal year 1984 budget for Fish and Wildlife Service listing activities.

2. *Grants to States.*—For the third year in a row, the administration's budget has zero funded the State grants program under section 6 of the Endangered Species Act. These Federal matching funds for State endangered species programs constitute the heart of U.S. efforts to rebuild threatened and endangered species populations. If funding is not restored, a large percentage of States with cooperative agreements under section 6 will have to cut back or eliminate their programs. State programs scheduled for elimination include those for the bald eagle, peregrine falcon, and the Delmarva fox squirrel. Last year, the conference committee restored $2 million to this program. Defenders requests that $4 million be appropriated for fiscal year 1984.

3. *Law enforcement.*—The effectiveness of endangered species legislation depends on the ability of field agents to enforce its regulations. Last year, Senator Cochran worked through this committee to insure that law enforcement activities were adequately funded. We are distressed to learn that the administration's fiscal year 1984 budget proposal has cut law enforcement funding by almost $1 million. Defenders requests that at least $1 million be added to the administration's fiscal year 1984 budget for Fish and Wildlife Service law enforcement activities.

4. *BLM wildlife programs.*—The Bureau of Land Management has a mandate to manage and to conserve ecosystems essential to fauna and flora in danger of extinction on our public lands.

There are currently 78 species of plants and animals listed as threatened or endangered inhabiting BLM lands. BLM is a cooperating agency in recovery plans for 24 of these species. At least nine of these plans require additional BLM funding for effective implementation. The species which these plans were designed to restore to viable population levels are: the peregrine falcon, the California condor, the blunt nose leopard lizard, the southwestern bald eagle, two plants in the Eureka Valley Dunes (evening primrose and dune grass), the masked bobwhite, the greenback cutthroat trout, the Sonoran pronghorn, and the black-footed ferret.

The black-footed ferret provides an excellent example of the need to fully implement these recovery plans. Recovery efforts for the ferret have been initiated under a plan covering seven States. The initial efforts were partly funded by BLM in fiscal year 1983 in conjunction with several other Federal agencies. However, BLM was subsequently unable to contribute any moneys in fiscal year 1983 for this recovery effort and will be unable to do so in fiscal year 1984.

Because of the lack of funding, the plan has suffered serious setbacks and the endangered black-footed ferret populations have been deprived of the plan's potential benefits. A prototype management plan that was to be initiated in Wyoming (the only State with known black-footed ferret populations) has not been implemented. The recovery plan called for BLM to identify habitat suitable for reintroduction efforts. This research has also not taken place.

The failure of BLM to be able to participate as scheduled in this recovery plan has meant lost time and money. The black-footed ferret recovery plan is indicative of the deleterious effect of inadequate funding on most recovery programs for endangered species.

In order that BLM take an active, positive role in the conservation of the 24 endangered and threatened species for which plans have already been developed and involve BLM as a cooperator, funding above the administration's request is imperative. To meet this species recovery need and to provide adequate funding for consultation and coordination with other programs (for example, rangeland management, oil, and gas) an increase of $3 million for threatened and endangered species work is essential.

Further, for the BLM to translate concern for plant conservation into effective action requires additional trained field personnel. Ten additional botanists, requiring an appropriation of $300,000, should be placed in BLM area offices.

This amount brings the additional funding we are requesting (above the administration's request of $10.515) to $3.3 million. These additional funds ($3.3 million) should be added to a base of $1.625 million that was earmarked for endangered species activities in fiscal year 1983. Therefore, the total amount earmarked for fiscal year 1984 should be $4.925 million.

In concluding, we would like to commend the chairman and members of the subcommittee for their concern for endangered species as demonstrated by past actions. We appreciate the opportunity to comment on the proposed fiscal year 1984 budget and welcome any questions you may have.

Senator McClure. National Conference of State Historic Preservation Officers, Mr. Peter King.

## STATEMENT OF RODNEY LITTLE, PRESIDENT, NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

Mr. Little. Senator McClure, I am Rodney Little. I am the president of the National Conference of State Historic Preservation Officers, and I am the State preservation officer from the State of Maryland.

On behalf of your State preservation officer Merle Wells and the preservation officers of all the States and territories, we want to express our sincere appreciation for the fact that this subcommittee has supported the continuation of the work of the State preservation programs as well as the national preservation program.

For our part, we have recognized the difficult economic times, and we have pulled in our belt. Prior to the recent cuts we have had to work with, our staff, average staff, at the State level was about 18 members. We are down now to an average State staff of 12 members.

In the face of those kinds of decreases, we have had to handle an ever-increasing workload. Just for one example, the projects that are coming in under the IRS tax incentives for the rehabilitation of historic properties, we are seeing an annual growth rate in the number of applications and dollar volume in those projects of approximately 90 percent.

The figures and projections you have in the budget from Interior, while perhaps honest and well-intentioned, are nevertheless very inaccurate. We are witnessing a quarterly growth rate in the number of applications coming in in excess of the 20-percent increment each quarter. Based on that, the number of applications that we are likely to see in fiscal year 1983 are not the some 3,000 that Interior projects, but more in the neighborhood of 4,500.

Our workload is increasing in the review of Federal undertakings and assisting Federal agencies in meeting their section 106 requirements. We have met that workload, and as well, we have tried to take on new initiatives to reduce the workload, not only for ourselves but for Federal agencies.

The States have taken the initiative in working with Gulf Western Corp., coal mining concerns, and the Office of Surface Mining to attempt to define ways in which the review of historic preservation requirements can be expedited for coal mining projects.

Because of these increases we are asking for a slight increase in our operational budget this year, up to $30 million. We are also asking in the budget material that I have presented to you for an additional $25 million for development projects.

In the past we had authorization for acquisition and development projects. We are not interested in acquisition projects at this time, but we are asking for $25 million in development projects.

The tax incentives are helping to take care of the income-producing properties which qualify under the IRS provisions. However, the non-income-producing properties out there—the national landmarks, the parks—these are properties that need some startup grant assistance.

Certainly, these projects will help to produce jobs. They will leverage a great deal of non-Federal money. The last year that we had significant acquisition and development money was 1979. That year our leveraging capability was 1 to 10.

You asked questions previously about expenditure rate. If we were to receive $25 million, we could have actual project and administrative startup within 60 to 90 days of fund availability.

During the last period during which we had acquisition and development funds, our obligation rate showed 99 percent obligation within 12 months of availability. It showed 99 percent expenditure within 24 months of availability. We feel that that is a very good record.

Overall, we would like to ask, also, for an additional $5 million for the National Trust for Historic Preservation. That would bring the total HPF request to $60 million.

Above that, outside of our budget, we would also like to endorse an increase to $2 million for the Advisory Council for Historic Preservation as well as a $500,000 grant to the National Building Museum.

I would be happy to answer any questions you have, but I would like to emphasize the job-producing capacity of historic preservation development projects. Rehab projects employ at least 40 percent more man-hours than new construction projects. Among the most labor intensive of all rehab projects are historic preservation projects.

We feel that we are a program that is right for the time. We would like to see that $25 million in the 1984 budget, and, as a matter of fact, if something could be done in the 1983 supplemental that would be very nice.

Senator McClure. I hear you. You have indicated that you could obligate all of the funds within 12 months, and most of it was expended in 24 months.

Mr. Little. That is right.

Senator McClure. In view of the fact that you don't have an active grant program at the present time, is it possible to move them to grant and then to construction that quickly now?

Mr. Little. Almost all of the States—I would say certainly 75 percent of the States—have maintained a grants administrative staff because we had old grants that had to be continued to be administered. We have the infrastructure. We have—most States—because we did not know from year to year whether we have acquisition and development money, continued to solicit applications.

So we have active projects sitting on the shelf ready to go.

Senator McClure. They are ready to go to contract or ready to go to construction almost immediately?

Mr. Little. Yes; the administrative paperwork could be taken care of within 60 to 90 days; that is, provided that Interior does not place a lot of additional administrative burdens on us.

Senator McClure. I understand. Thank you very much for your testimony. Your statement will appear in the record, and the attachments thereto will be placed in the committee file.

Thank you.

Mr. Little. Thank you, Senator.

[The statement follows:]

## STATEMENT OF PETER D. KING

Thank you for the opportunity to make the needs of the national historic preservation program known to this subcommittee. Members of the National Conference have appeared before to make the claim that preservation had earned increased federal financial support as well as increased policy support.

In the first eight years of the program, Congress was less convinced than the Administration of the need for funding and generally appropriated less than the budget request. During the second eight years, however, members of Congress began to recognize the benefits of the program and Congress has appropriated more than the budget request in seven of the eight years. The issues which have led to the growth of this support have now become important to the economic well-being of the nation.

Preservation's impact on the national construction industry is now of sufficient magnitude that the Congress may need to review the organizational structure which places responsibility for a cultural program which has major economic and community development benefits within the Interior Department. The Interior Department has failed to recognize and to utilize the preservation program's efficiencies in addressing many national needs.

Recent national attention has been focused on the widespread decay of much of the nation's capital stock. For the most part, the popular press has missed the relationship between the demands to rehabilitate roads, buildings, sewers, and bridges and preservation's long-standing efforts to call attention to the preservation needs of these and other resources far too important to neglect. However, while the media has largely missed the preservation issue, the construction industry has not.

With the permission of McGraw-Hill Information Systems Company, we have included two very recent reports. The first, A Sweet's White Paper Report - Renovation's Promise: Construction's New Growth Market (Appendix A), was commissioned by McGraw-Hill's Sweet's Division in September of 1982. Within three months, Sweet's, citing "...immediate and intense response...", issued An Addendum - Renovation: Blueprint for the Future (Appendix B).

Both reports reflect the largely unrecognized growth of renovation and rehabilitation during the past ten years. Activities pioneered by the preservation movement have now moved into the mainstream of development with benefits far in excess of what might be reasonably be expected from a national program which has been funded at a $19 million/year average during its existence. One example is the report that over 600,000 housing units annually are created within vacant and underutilized industrial and commercial structures. This amount of new housing is roughly half again the new housing start statistic so often used for policy decisions (Appendix C: "Housing Studies Revamped; Less New Construction Seen", Harvard University Gazette, 14 January 1983).

While we do not mean to say that all renovation and rehabilitation projects involve historic properties, we do claim the idea of re-use and claim further that the rapid growth of rehablitation is a direct result of the national historic preservation program. A recent book, Community Harmony: The Re-Use of Ordinary Structures, supports this claim when it states, "Widespread interest in recycling old buildings is accepted as an outgrowth of the historic preservation movement. Up until the early 1960's, the desire to preserve buildings for their architectural or historical significance was, for the most part, limited. Preserving old buildings as museums is an idea that has largely been replaced by the belief that such structures continue to have productive economic lives." The majority of the work of the state historic preservation offices now involves properties which are being preserved through use, both in the profit-making area and in simply filling other needs for interesting and high quality space.

The unusual amount of activity generated in relationship to the limited funding available demonstrates that the early model federalism effort established in 1966 is, in fact, an efficient and productive organizational structure for delivering the special services of the preservation program. Recent efforts by the Interior Department to reduce the SHPO role in the program produced a great deal of concern among developers who rely on SHPO assistance. We have included a few of the many letters developers have sent to the White House on this issue. These letters clearly reflect the value of the States as seen by one group which has worked with us. (Appendix D).

The role of the SHPO with private developers is quite similar to that of the SHPO's role in assisting federal agencies. The agencies' letters of support are quite similar (Appendix E : Preliminary Task Force Report).

Local officials and the SHPOs are working closely as preservation receives more widespread use as a cost-effective redevelopment strategy. In Evansville, Indiana, for instance, the SHPO responded to Mayor Michael Vandeveer's assistance request with a matching survey grant, a subsequent matching grant for nominating properties to the National Register, with the goal of attracting private investment for Evansville's historic structures. Now the mayor proudly points to this financial assistance as the key step to the "supply-side revitalization of Evansville." (App.F).

Clearly the historic preservation program has been doing the job Congress set for it. There is growing support for increasing the authority of the States and for increasing State and federal support for this program. From the evidence, it appears that preservation more than pays its own way.

The States do, however, continue to be troubled at the continued efforts by the Interior Department to withdraw from the federalism construction of the program. As we testified last year, Interior's own economic analysis denies any savings which could be realized by eliminating the 50-50 grants made to the States which, afterall, perform 90% of the owrk and provide over 50% of the funds besides. Nor do program efficiency gains appear to motivate Interior's efforts to change the States' role in the program.

The attached letter from Kansas State University Professor Richard Wagner (Appendix G) calls attention to the fact that recent Interior proposals to change tax-act administration were undertaken to improve Secretary Watt's budget flexibilty and had little to do with improving the certification process. Secretary Watt's "budget flexibility" is an interesting Washington circumlocution which could be put more simply by saying that the Secretary wants to eliminate any program which reflects the need to continue the federal financial relationship with the States. Contrast this with National Park Service Associate Deputy Director Roger's statement to the NCSHPO with the material he provided to the Advisory Council on Historic Preservation's Task Force on Federalism and Preservation (Appendix H). Here, Mr. Rogers states that, "Under a Federalist approach, each level (federal, state, and local) of government should concentrate on those activities which cannot better be conducted by one of the other levels." He goes on to detail which levels are best able to perform the various functions and he makes a strong administrative and common-sense argument in favor of strengthening, not weakening, the Federalism partnership. Mr. Roger's work for the Task Force reflects the preservation program as it ought to be organized and as it must be organized if its effectiveness is to be maintained.

We urge this subcommittee to provide the increased resources needed to maintain and accelerate the preservation activities which evidence shows are being widely used and even more widely desired.

The National Conference of State Historic Preservation Officers respectfully requests that an appropriation of no less than 40% of the $150 million authorized be made available for Fiscal Year 1984. A $60 million appropriation will enable the States to begin rebuilding the staff lost during the past three years. Last year we reported that the average SHPO staff had dropped from 19 to 13. This year, the continued budget crisis and the widespread recent tendancy of State budgets and policies to mirror those of the federal government has increased the strains on many State programs. In far too many State Historic Preservation Offices this year, there has been a loss of senior experienced staff. These are the individuals who have established the close working relationships with developers, architects, local officials, and federal officials which make the preservation program work so extraordinarily well.

The needs of the national program are for $30 million in matching grants to the States to acclerate the national survey efforts, to assist federal agencies to fulfill their preservation responsibilities, to assist and encourage private investment in historic properties, to assist in the development and review of tax-act projects, and to identify and nominate properties to the National Register.

An additional $25 million is urgently needed to assist in the preservation of non-income producing historic properties which are increasingly endangered by the lack of maintenance and by the difficult economic environment. Currently, federal assistance for preservation is limited to the tax-act and some highly fragile historic properties are being preserved through the undesirable conversion to income-producing status. As noted before, some historic properties deserve and require full restorative treatment which is quite different than the rehabilitative efforts stimulated by the tax act. We have neglected these properties for over three years and must now begin to correct this program weakness.

The State Historic Preservation Officers urge that $5 million be made available as a matching grant for the National Trust for Historic Preservation in the United States. The National Trust and the National Conference have found a substantial national need to inform the public about preservation strategies. Support for the National Trust will help fulfill this national need.

We support an appropriation of $2 million for the Advisory Council on Historic Preservation. As this subcommittee has noted, the Advisory Council has made considerable headway in achieving cost-effective techniques for insuring that the federal government considers the impacts of its projects on historic resources. We have worked with the Council to insure that surface coal mining needs are dealt with in an effective manner. Our letter on this effort is enclosed (Appendix I). It is unfortunate to note that these efforts are being retarded within the Interior Department in a manner quite similar to their efforts to revise the tax certification process.

We also support a $500,000 appropriation for the National Museum of Building Sciences. The growth in historic preservation activity is causing a quickening of concern for reestablishing quality in the built environment. The Museum serves an important role in highlighting the history of such building techniques.

Senator McClure. We will next hear from the League to Save Lake Tahoe, Mr. James Bruner.

## STATEMENT OF JAMES W. BRUNER, JR., EXECUTIVE DIRECTOR, LEAGUE TO SAVE LAKE TAHOE

Mr. Bruner. Mr. Chairman, my name is James W. Bruner, Jr., and I am executive director of the League to Save Lake Tahoe.

I come before you today to thank you for your leadership and that of the committee to provide Land and Water Conservation Fund appropriations for the purpose of environmentally——

Senator McClure. I appreciate the thanks, but if I hadn't, Laxalt would have had my neck.

Mr. Bruner. Well, I think you are right. [Laughter.]

Special thanks really are due to you and to Senator Laxalt for your efforts to provide funds for the protection of this national treasure, and as you can gather, I am here to ask that you recommend an appropriation of $10 million, which is the current level of funding, for fiscal year 1984.

As you know, continued funding at current or higher levels is critical to efforts to preserve the remarkable water quality and transparency at Lake Tahoe. Over the past 14 years, unfortunately, due to land disturbance, removal of vegetation, we have lost nearly 25 percent of Lake Tahoe's world renown clarity in just that short period of time.

So it is logical to assume, without careful efforts to provide for continued funding, that even in our lifetime we may lose the remainder of Tahoe's clarity.

Your funding to date for the period, fiscal years 1981 and 1982, have resulted in steady progress toward fulfilling the objectives of Public Law 96-586. Mapping and the preparation of the land acquisition plan took longer than expected, but the Forest Service is now making remarkable and rapid progress in acquiring lands pursuant to the acquisition plan.

Of the approximately 21,000 eligible acres, comprised of 8,000 parcels eligible for acquisition, to date more than 1,090 acres have been purchased, and offers are now pending on 2,670 acres. Purchases and offers to date account for all of the fiscal year 1982 appropriation and a little over $1 million of the fiscal year 1983 appropriation.

Offers have now been made on approximately $7.85 million of the $16.75 million available for the past 2 fiscal years. Another $500,000 in offers are being made this week.

Due to a delay in a Nevada appraisal contract and lateness in receiving the appropriations, offers are only now being made in Nevada for these high priority lands.

Carryover of approved properties appraised in fiscal year 1982 amounts to $4.5 million of the $10 million now available in this fiscal year. The Forest Service expects to do approximately the same amount of advance appraisals, so there will be no lapse time. This money will be used immediately.

The Forest Service reports—I am sure they reported to you—that the need continues at approximately the same level, and they have a backlog, amazingly enough, of 2,000 high priority "willing seller" parcels, many of which will be appraised this year.

Senator, we are also making donations—or donations are having a major effect on stretching these Federal dollars that you have been able to provide. Already 1.5 million dollars' worth of property have been donated both directly to the Forest Service and to the League to Save Lake Tahoe charitable trust.

Remarkably, they have had a 98-percent acceptance ratio of offers made to offers accepted. I think this is testimony to the bipartisan effort and the general nature of the program at Lake Tahoe. We enjoy success both at the lake, with the local governments, and the two States. And here in Congress, as you know, we have bipartisan support both in the House and in the Senate for continuation of the program.

For the record, I have attached some recent news clippings and editorials concerning the Tahoe Basin land acquisition program for your review, and I hope you can make them part of the record.

Additionally, I am providing a brief statement summary of the Forest Service acquisition program, dated February 25. As you can imagine, this is changing almost weekly, as the Forest Service makes offers and offers are accepted.

In summary, the Lake Tahoe Basin land acquisition program is working well. The need for funding at the current $10 million or higher level. No funds will be wasted.

We appreciate the demands on the subcommittee, the extreme pressure of Senator Laxalt and others. Notwithstanding, we appreciate your continued support for protection of Lake Tahoe.

Senator McCLURE. Thank you very much for your statement. The clippings attached to your statement will be placed in the committee files here. The table will be made a part of the record.

Mr. BRUNER. Very good, Senator, thank you.

Senator McCLURE. Thank you very much.

[The statement follows:]

## STATEMENT OF JAMES W. BRUNER, JR.

Mr. Chairman, I am James W. Bruner, Jr., executive director of the League to Save Lake Tahoe. The League to Save Lake Tahoe is a 3,000 member private, non-profit organization dedicated to preserving Lake Tahoe's water quality and the environmental balance, scenic beauty and recreational opportunities of the Lake Tahoe Basin. Since 1957 the League to Save Lake Tahoe has been the only privately-funded public benefit organization of property owners and friends of Lake Tahoe devoted to the preservation of the Tahoe Basin.

I come before you today to thank you for your leadership and that of the Subcommittee to provide Land and Water Conservation Fund appropriations for the purchase of environmentally fragile lands in the Lake Tahoe Basin pursuant to P.L. 96-586. Special kudos are due Senator Laxalt for his efforts to provide funds for protection of this national treasure. Moreover, I am here to urge the Subcommittee to recommend an appropriation for FY 84 of $10,000,000, which is the current level of funding.

As you know, continued funding at current or higher levels is critical to efforts to preserve the remarkable transparency of Lake Tahoe. Without your great concern and ability to provide for continued acquisition of steep and highly erodible lands, nutrient deposition and resultant growth rates of free-floating algae will continue to rise at present rates, the result of which has been the loss of nearly 25% of Lake Tahoe's world-renowned clarity in the past 14 years.

Continuation of the Lake Tahoe acquisition plan at current or higher levels is critical to successful implementation of the Tahoe Regional Plan unveiled by the Tahoe Regional Planning Agency last week at Lake Tahoe.

Your funding programs for the FY81 and FY 82 have resulted in steady progress towards fulfilling the objectives of P.L. 96-586. Mapping, preparation of the Land Acquisition plan and Environmental Statement, as well as initial contract appraisals took longer than expected through FY 82.

The U.S. Forest Service is now, however, making remarkable and rapid progress in acquiring lands pursuant to the Land Acquisition Plan. Of the approximately 29,570 acres mapped within the Lake Tahoe Basin as environmentally sensitive, 21,220 acres, comprised of nearly 8,000 parcels, are eligible for acquisition. To date, more than 1,090 acres have been purchased and offers are pending on 2,670 acres.

Purchases and offers to date account for all of the FY 82 appropriation and $1.15 million of the FY 83 appropriation. Offers have now been made on approximately $7.85 million of the $16.7 million available for fiscal years 82 and 83. Another $.5 million in offers are being made this week. Due to a delay in a Nevada appraisal contract, and lateness in receiving appropriations, offers are only now being made in Nevada for high priority lands.

Carryover of approved properties appraised in FY 82 amounts to $4.5 million of the $10 million now available in this fiscal year. The Forest Service expects to complete the FY 83 acquisition program this year and appraise in advance approximately $4-5 million of high priority property for the FY 84 program.

The Forest Service reports this month that the need for FY 84 is at least $10 million as they now have a backlog of approximately 2,000 high priority willing-seller parcels, many of which will be appraised this year.

Donations are playing an important role in the acquisition program. During FY 82, 77 parcels with a value of $1,000,000 were donated to the Forest Service. Another 40 parcels with an estimated value of $500,000 have been donated to private non-profit organizations such as the League to Save Lake Tahoe Charitable Trust. These donations will assist the efforts to stretch public monies in high demand.

Testimony to the success of the program is the 98% acceptance ratio of offers made and accepted. Additionally, local governments as well as the states of Nevada and California are pleased with the success of combining Lake Tahoe protection with a fair and equitable program for landowners. Here in Congress we enjoy bi-partisan support for the Lake Tahoe acquisition program.

For the record I have attached some recent news clippings and editorials concerning the Tahoe Basin land acquisition program for your review. Additionally, I am providing a brief February 25, 1983 summary of the 1983 U.S. Forest Service report on the Santini-Burton land acquisition program.

In summary, P.L. 96-586 is working well, The need is for funding at the current $10 million or higher levels. No funds will be wasted.

We appreciate the demands on the Subcommittee and appreciate your continued support for protection of Lake Tahoe.

Thank you.

# SANTINI-BURTON LAND ACQUISITION STATUS

February 25, 1983

(Estimates)

|  | Value | Acres | Number of Transaction |
|---|---|---|---|
| Total Offers Made | $7,850,000. | 3,850 | 220 |
| Offers Accepted | $3,495,000. | 1,090 | 115 |
| Offers Pending | 3,815,000. | 2,670 | 88 |
| Deferred-Donated | 48,000. | 1 | 5 |
| Offers Rejected | 492,000. | 90 | 12 |

Senator McCLURE. Hardwood Research Council, Mr. Thomas McLintock.

## STATEMENT OF THOMAS F. McLINTOCK, EXECUTIVE DIRECTOR, HARDWOOD RESEARCH COUNCIL

Mr. McLINTOCK. Mr. Chairman, I am Thomas McLintock, executive director of the Hardwood Research Council, a nonprofit scientific organization headquartered in Asheville, N.C.

My testimony relates to portions of the budget of the U.S. Forest Service that have to do with forest research and State and private forestry.

My purpose is to express the concern of the forest owners and managers and the forest products industries that we represent over the continued weakening of our Federal R&D effort in forestry and of the activities that expedite the application of research results by the ultimate users.

My written statement addresses this question specifically and requests this committee to seek ways of restoring the 1984 budget figures to the 1982 appropriations level.

In my few minutes before you now, I would like to comment on an issue that has engendered considerable misunderstanding and which seems to be part of the rationale for the administration's reductions in the Forest Service R&D budget.

I refer to the question of the role of the private sector in forestry research.

Until about 20 years ago, the Department of Agriculture and the Congress consistently held the view that federally financed forestry research should emphasis problems with immediate and practical application and that the universities should do the more fundamental type of studies.

This changed in the early 1960's, when the Nation's entire science program went through a dramatic revitalization and the Congress recognized that basic and applied research really can't be separated.

The Forest Service was provided with money to construct modern laboratories and was told to develop a better balance between basic and applied research.

Now, the pendulum seems to be swinging in the other direction. One hears increasingly the argument that the Forest Service should concentrate on basic research, that the private sector, presumably meaning the forest industries, should take on the short-term practical studies that have a high probability of quick results and with calculable cost-benefit ratios.

There are at least two serious flaws in this argument. It should be understood that while the largest wood products corporations, the giants of the industry, generally do maintain in-house R&D programs, very few of the medium and small companies do maintain—do research. And these companies, these medium and small companies, make up virtually all of the hardwood-using industries. They do not have the financial capabilities, the trained personnel, or the experience to set up and operate their own research laboratories.

Their sources of new knowledge and technology must be the Forest Service and the universities. Should these sources dry up or be reduced to a trickle, most of our wood-using industries will be unable to keep pace with advances in more research-minded competing industries, such as plastics and metals.

The repercussions of a weakened wood-using industry, reduced markets for timber products, and lower prices paid to the forest owner for his stumpage and logs will be felt all the way down the line to and including impacts on the management of our forest resource.

The second flaw in "let industry do it" argument has to do with availability of information. Publicly financed forest research is reported in the scientific and technical journals. The results are made available to all users with State and private forestry, State agencies, and industry organizations.

This would not be true with most industry-financed research. Results are carefully guarded, especially those which give a company an edge over its competitors. The same research may have to be done over and over again by other companies.

This situation would tend to favor the very large corporations and impair the ability of smaller firms to survive and grow.

Mr. Chairman, the private sector has a role in forestry R&D, but it is complementary to that of the Forest Service and the universities. The Forest Service recognizes that role and is making efforts to develop and encourage it. But the very nature of forestry and wood processing and of the structure of wood-using industries themselves is such that the private sector cannot take over the research programs of the Federal Government.

Senator McClure. Thank you very much for your statement.

Mr. McLintock. We thank you very much for your attention.

[The statement follows:]

## Statement of Thomas F. McLintock

The Hardwood Research Council is a nonprofit, scientific and educational organization headquartered in Asheville, North Carolina. We work cooperatively with industry, government, universities, private forest owners, and forestry and wood products associations. Our three-fold mission is to strengthen and improve the quality of hardwood-oriented research, help speed the application of research results, and enhance understanding of critical renewable resource issues. We are deeply concerned about proposed reductions in two major components of the U. S. Forest Service budget: Forest Research and State and Private Forestry.

The recent history of appropriations for Forest Research is well known to this Committee. In fiscal year 1981 the total was $122 million. In 1982 it dropped to $112 million. Last year it was down to $105 million and would have been considerably lower but for action by this Committee which helped restore half the cuts proposed.

Much harm has already been done to the federal forestry research effort. The critical continuity of many long-range investigations in such fields as forest genetics and watershed management has been broken. Productive short-term experiments with potential for significant payoffs in timber management, pest control, market development and other areas have been abandoned. Experienced, talented, knowledgeable scientists have departed, leaving gaping holes that will take years to fill. Cooperative programs with universities, painstakingly built and often representing outstandingly successful examples of interdisciplinary efforts that neither could achieve alone, have been badly weakened. To a considerable extent this is irreversible damage: time and people and information lost that can never be recovered. Now the President's budget calls for still another decrease for Forest Research, which will bring yet another round of shutdowns and layoffs.

We are most apprehensive about this continued shrinkage of the financial base of our federal Forest Research program. We question where it will end. We suggest that the damage being done far outweighs the benefits derived from the meager contributions toward a balanced budget. We wonder whether, within the overall Forest Service budget of $2 billion, there are not other opportunities to achieve these small savings that will have less profound and long-lasting impacts.

We believe the time has come to stop this downward trend before it produces a disaster. We ask this Committee not only to resist attempts to further weaken the underpinnings of scientific knowledge and technology that support wise conservation and use of our forest resource; we ask that you restore the level of Forest Research appropriations to where they were in fiscal year 1982.

We are blessed with an enormous forest resource that has been able to keep pace with the growing needs of a growing Nation. We have the capability not only to meet projected increases in domestic demands for timber but to supply a much larger proportion of world requirements as well. We have a well developed, diversified, efficient forest products industry that is capable of almost unlimited expansion. It can produce the wood products we require at home and make a substantial contribution to our export trade. There is absolutely no reason why the United States should ever find itself in the same situation with forestry and forest products that it is in with steel and automobiles and textiles and cameras. But we could conceivably see our position as a dominant world producer of wood products threatened if we do not maintain a steady flow of new knowledge and improved technology that will help assure our competitive ability. And that knowledge and technology must come from research.

Agriculture is one arena where the U. S. has maintained a world leadership position. In large measure this has happened because neither the U. S. Department of Agriculture nor the Congress has allowed agricultural research to fall into disarray due to vacillating policies and half-hearted support. To illustrate: The 1984 budget for the Agricultural Research Service asks for $474 million, an increase of $42 million or more than 10 percent above the 1982 appropriation level. In contrast, the 1984 Forest Service budget for Forest Research is 10 percent below the 1982 level. We do not understand the Department's inability to see that research is just as important in forestry as it is in agriculture.

We would like to address briefly the question of research on hardwoods, which is of special interest to the constituency of the Council which I represent. The hardwood forests of eastern U. S. occupy nearly 250 million acres, more than 70 percent of all commercial forest land in the East. Hardwoods are used in a great variety of products for which they are uniquely suited by their special properties and characteristics. Railroad ties, shipping pallets, and fine furniture, for example, are largely made from hardwoods.

But our hardwood forests are in bad shape. They have been high-graded for 150 years and have received little planned management. As a result, growth is far below its potential and much of our inventory is in trees of small size and low quality. There is a tremendous opportunity for increased volume and value from these forests, but two major problems must be solved. First, we must find ways to use the lower quality timber that makes up so much of our hardwood forest. Second, and no less important, we must devise low-cost management methods that can be adopted by the nonindustrial private landowners who control three-quarters of our hardwoods. The "small forest owner problem" which this Committee has heard about for many years is essentially a hardwood forest problem.

Research on hardwoods has been neglected over the years. Until recently, less than 20 percent of research outlays in protection, management, economics, marketing and utilization were designed to solve hardwood problems. In 1981 the Congress recognized the need to strengthen hardwood research and appropriated $3.8 million specifically for that purpose. Since then cutbacks and attrition have set that effort back severely. Hardwood problems are much more difficult and complex than is the case with southern pine and Douglas fir because so many species are involved, each with its own set of growth requirements, use properties and values. It will take much longer to learn as much about hardwoods as we do about softwoods.

Recognition of the great potential that hardwoods hold for our future wood economy is now beginning to be more widely realized. Even the National Forest Products Association, never known for its enthusiasm about hardwoods, has just formally recommended to the Forest Service that increased emphasis is needed on hardwood research. We urge this Committee to give this need special consideration in its deliberations on the 1984 Forest Service appropriations bill.

In concluding my remarks about Forest Research, I would like to call particular attention to two line items.

The Forest Service has sole responsibility for maintaining the basic data on our forest lands. Formerly known simply as the "Forest Survey", and now identified in the budget as "Renewable Resources Evaluation", this effort is probably the most important single function performed under the Forest Research heading. It is certainly the most widely used. Its responsibilities have broadened in recent years to include much more than the earlier job of keeping track of timber. And it gets more complex as the demand for more detailed data at more frequent intervals accelerates. Yet, the 1984 budget figure for this essential activity is $2 million, or 15 percent, below what it was in 1982. We believe that the increasingly critical importance of up-to-date, reliable, complete resource data makes it mandatory that the effectiveness of this program not be impaired.

The 1982 funding base for Forest Products Utilization Research was $17.5 million. In 1983 this was slashed by 15 percent to $14.8 million. This item, and the smaller engineering research item, were the only ones that did not benefit from at least partial restoration by the Congress of cuts made by the Administration. The $2.7 million reduction in Forest Products Utilization Research made up 40 percent of the total cuts in all research appropriations. The 1984 budget provides a token increase of $300,000, the only research item not further reduced. While we applaud this gesture, it is quite inadequate to stem the gradual deterioration of the federal effort in products research. Except for pulp and paper, the wood-using industries conduct virtually no basic research, and very little in the way of applied research. They must look to the Forest Service, and to a few of the larger universities, for new knowledge about the properties of wood, information on the performance of wood products in use, and the development of better processing methods.

Let me turn now to another major segment of the Forest Service budget which faces even more drastic cuts than research. The impacts of the President's 1984 budget proposals on the State and Private Forestry programs will be nothing short of a disaster. From the fiscal year 1982 level of $65 million, the appropriation for 1983 was slightly reduced to $62 million. But in 1984 a 60 percent slash is recommended, bringing funding down to $25 million. It is worth noting that the level suggested under the Renewable Resources Planning Act for FY 1984 is $132 million.

A principal function of State and Private Forestry is its leadership and coordination role in technology transfer. Scientists themselves can go only so far in this kind of activity. They often can, should, and do initiate the process of getting research results into practice by publishing reports, participating in demonstrations and workshops, and enlisting industry cooperation in pilot testing. But the primary thrust, the continuing, day-to-day effort of establishing and maintaining the bridge between research and application, is the responsibility of State and Private. Their specialists in timber management, wood utilization and marketing provide the initiative, the guidance, the planning, the organizing effort, by which the research unit productivity is translated into action. They are the ones who work directly with state foresters, extension people, industry groups and others to make new knowledge, new practices, available as promptly and effectively as possible. S&PF also provides direct financial assistance to state forestry organizations to help plan and implement their educational efforts. This is a function that should be progressively strengthened rather than diminished.

We are particularly alarmed that the Forest Management and Utilization item in the State and Private budget is allocated only $4.7 million for 1984, compared to $22.7 million in 1982. This represents a cut of nearly 80 percent and, if sustained by the Congress, will virtually deactivate this essential function. We urge this Committee to restore funding for Forest Management and Utilization in State and Private Forestry to the 1982 level.

Today we are about to break out of the economic doldrums which have plagued us for so many years and will be moving into an era of recovery. This new era will be characterized by extensive technological innovations. The management of our forests and the utilization of its products must be part of this recovery and of the technological revolution. It seems extremely shortsighted at a time like this to reduce investments in R&D and technology transfer for a raw material that must and will help solve the Nation's problems in energy, transportation, packaging, housing, and countless other wood products that each of us uses every day.

Senator McClure. We'll next hear from the Appalachian Trail Conference. Mr. David Startzell.

## STATEMENT OF DAVID N. STARTZELL, ASSOCIATE DIRECTOR, APPALACHIAN TRAIL CONFERENCE

Mr. Startzell. Thank you, Mr. Chairman.

I am Dave Startzell, associate director of the Appalachian Trail Conference.

And I wish to testify in support of appropriations for the National Park Service and U.S. Forest Service land acquisition programs for the Appalachian Scenic Trail.

Let me begin, however, by expressing, on behalf of the conference, our affiliated organizations, and our members, our very deep appreciation to you and your distinguished colleagues on this committee for the very favorable level of funding which was received the project in fiscal year 1983.

As you know, we hope to make considerable progress with those funds in this year.

The program which we bring before you today builds on that progress and we hope will bring us very close to our goal, and a goal which I believe this committee shares, of completing the protection program for the Appalachian Trail in the very near future.

If you've not already done so, I believe the table, table I, in the text will illustrate my point.

Again, we would anticipate, in terms of the National Park Service acquiring some 10,000 acres of land this year, protecting 82 miles of the Appalachian Trail.

In fiscal year 1984, given an appropriation of $8.5 million, we would hope to protect an additional 9,200 acres of land and 72 miles of trail.

This would leave only a very small portion of the trail in the State of Pennsylvania remaining to be acquired in fiscal year 1985, as well as some potential backup on the part of the Park Service to State programs that are ongoing at this moment.

Similarly, for the Forest Service in fiscal year 1984, with a modest appropriation of $600,000, we hope to protect an additional 4 miles of trail, which will involve about 2,000 acres of land.

In short, we see an end in sight to this project. Our request represents an approximate $2 million reduction from the level received this year. And we, of course, anticipate an even more significant reduction in our request in fiscal year 1985.

One final observation, if I may, Mr. Chairman. I'm aware that this morning this committee received some testimony expressing concerns regarding the administration's land protection plan policy, and we're aware that this committee has followed that policy with considerable interest.

We certainly share the administration's concern with the need to cover deficiencies. We also concur with the need for a rational and orderly acquisition program, although we feel that that's very much the case with the acquisition along the Appalachian Trail now.

We do, however, share some concern, as was expressed this morning, with the potential for delays in timely land acquisition that could result from that. And we concur in the language and the spirit of the language which this committee and your partner committee in the House reported in the conference committee report in fiscal year 1983, encouraging the administration to expedite the development of the land protection plans and to continue timely land protection.

Thank you very much.

Senator McClure. Thank you very much for your statement.

It's been a long time. I really think we ought to have some kind of a significant celebration when the last parcel is acquired.

Mr. Startzell. I agree. And I'm sure we'll do that.

Senator McClure. I hope I'm still here.

Thank you very much.

[The statement follows:]

## STATEMENT OF DAVID N. STARTZELL

The Appalachian Trail Conference is a private, nonprofit, educational organization composed of approximately 16,000 members as well as over 60 hiking and outing clubs representing an estimated 60,000 individuals. For fifty-seven years the Conference has coordinated both public and private efforts to develop, maintain, and preserve the Appalachian Trail for the benefit of millions of Americans. On this occasion and on behalf of the Appalachian Trail Conference, we wish to testify in support of FY'84 appropriations for Appalachian Trail land acquisition by the National Park Service and USDA Forest Service. For the reasons described below we respectfully request an FY'84 appropriation of $8.5 million for the National Park Service and $600,000 for the U.S. Forest Service.

Resource Characteristics: The Appalachian Trail is a continuous, marked footpath which traverses the Appalachian mountain chain from Maine to Georgia for a distance of approximately 2,100 miles.

Throughout its distance, the Trail provides a slender thread linking more than sixty public land areas in fourteen states, eight National Forests, and six units of the National Park System. Moreover, virtually every mile of the Trail is within easy access of a major population center, and some portion of the Trail is within a day's drive of one half of the population of the United States.

By virtue of its location and extent, the Appalachian Trail thus provides opportunities to traverse and experience countless wild, scenic, and pastoral settings for an estimated 3-4 million visitors each year. It also affords an opportunity for continuous, long distance hiking that is perhaps unparalleled throughout the world.

Legislative Background: In 1968, Congress enacted the National Trails System Act which designated the Appalachian Trail as one of the first National Scenic Trails. At the time of enactment, Congress recognized the "unique recreational opportunities afforded by the Trail as well as the growing development activities which threatened the continuity of trail route. The act therefore provided for a Federal responsibility to protect the Trail, including the authority to acquire a permanent right-of-way." (Senate Report No. 95-636). Regrettably, a relatively insignificant level of funding was authorized for this purpose and even lesser amounts were actually appropriated.

By 1977, Congress acknowledged that inadequate funding, together with insufficient activity on the part of responsible federal and state agencies, had contributed to significant deterioration of many miles of the Trail due to incompatible development and land use practices. As the Committee on Energy and Natural Resources noted:

> "Over 650 miles of the Trail remain in private hands and changes in ownership and increasing pressures for development pose threats to the continuity of the Trail in numerous instances. Approximately 180 additional miles of the Trail are now located along roads, providing no real hiking experience, but only a link between disconnected segments of the trail."

Congress concluded that...

> "experience with the Trail has demonstrated...that additional authority is needed to insure the acquisition of a corridor sufficient to protect trail values. Similarly, an increase in the funding authorized for the Trail will be necessary to purchase a sufficient route through the areas which are now unprotected." (Senate Report No. 95-636).

As a result, in 1978 Congress enacted amendments to the 1968 Act in the form of PL 95-248. The Act provided: 1) the authority to purchase lands or interests in lands for Trail protection purposes, including the right to exercise eminent domain within a corridor averaging 125 acres per mile; 2) an authorized funding level of $90 million or $30 million for each of three fiscal years ('79, '80, and '81); and 3) a mandate to the Secretary of the Interior to insure substantial protection of the Trail within three complete fiscal years.

Appropriations Background: Since 1978 appropriations for Appalachian Trail land acquisition have represented only approximately 57 percent of the levels authorized under PL 95-248. Specifically, the National Park Service has received: $12.5 million in FY'79, $14.3 million in FY'80, $8.5 million in FY'81, $2.69 million in FY'82, and $10 million in FY'83. During this same period the USDA Forest Service received $2.0 million in FY'81, $2.12 million in FY'82, and $1.3 million in FY'83.

Acquisition Progress: In spite of the above funding limitations, the National Park Service, the U.S. Forest Service, and a number of states, including Maine, Massachusetts, New York, New Jersey, Pennsylvania, Maryland and Virginia, have made significant progress in planning a protection corridor for the Trail and in acquiring lands or interests in lands within this corridor. For example, of the approximate 847 miles of the Trail that were unprotected in 1978:

- A permanent route and protection corridor has been designed for 832 miles or 98 percent of these areas;
- Surveys have been contracted or completed for 794 miles or 94 percent;
- 751 miles or 88 percent of these lands have entered the final stages of land acquisition, including title research and appraisal;
- And more than 449 miles or 53 percent have been acquired;
- Overall, approximately 1,660 miles or 80 percent of the Trail is now permanently protected.

Project Characteristics: Much of the success of the Appalachian Trail protection program is attributable to a variety of characteristics that have resulted in substantial cost-savings.

- A partnership approach to land acquisition is a critical and cost effective characteristic of the Trail project. For example, various states along the Trail have assumed the responsibility for acquiring about 30 percent of the necessary land areas. Participation by local government units has provided protection over municipal-owned lands through cooperative agreements. In addition, the involvement of many private organizations in the planning and negotiations process has led to reduced pre-acquisition costs and a number of donations or bargain sales.
- Flexibility in defining acquisition boundaries and substantial consultation with affected landowners has greatly reduced the need to pursue costly condemnation proceedings. For example, out of a total of more than 700 land transactions, the National Park Service has been forced to use eminent domain in only 17 instances or about 2.5 percent of the cases. The experience of the U.S. Forest Service in this respect has been even more favorable.
- Use of alternative acquisition devices has also resulted in significant cost savings. For example, the National Park Service has purchased more than 168 easements at less than fee simple value. Additional use has been made of donations, bargain sales, cooperative agreements and a limited number of exchanges.
- Volunteer management has been a fundamental characteristic of the Appalachian Trail project for more than 50 years. We estimate that volunteer Trail construction and maintenance programs alone result in a savings in excess of $1 million annually to public agencies. Other volunteer-based activities, including shelter and bridge construction, caretaker and ridgerunner programs, boundary monitoring programs, and visitor education services, result in even greater cost savings.

Funding Requirements: Although considerable progress has been made in the Appalachian Trail land acquisition program, more than 424 miles of the Trail remain to be protected. Within these areas, the National Park Service and U.S. Forest Service are responsible for protecting approximately 43 percent or 183 miles. We estimate that, given total appropriations in FY'83 of $11.3 million, these agencies will protect an additional 87 miles of the Trail by the close of FY'83. We further estimate that the balance of 96 miles to be protected after FY'83 through federal land acquisition can be acquired for approximately $15 million. The total estimated cost of federal acquisition for the Appalachian Trail would thus equal approximately $72 million, or some $18 million below the authorization level.

In view of the advanced state of planning and preacquisition work, we believe that federal land acquisition of these remaining areas in FY'84 is both feasible and cost effective. Moreover, we believe that acquisition of these areas will come very close to completing the federal protection responsibility along the Appalachian Trail. These areas are summarized in Table I and II (attached) and would necessitate the following FY'84 acquisition programs for the National Park Service and the U.S. Forest Service:

- National Park Service - Protection of an additional 72 miles (9,244 acres) along the Trail in the states of New Hampshire, Vermont, Massachusetts, Connecticut, New York, Pennsylvania, and Virginia, at an estimated cost of $8.5 million.

- USDA Forest Service - Protection of approximately 4 miles (2,000 acres) along the Trail within national forest boundaries in the states of Virginia, Tennessee, North Carolina, and Georgia, at an estimated cost of $.60 million.

The Appalachian Trail is an extraordinary natural and recreational resource, but it is also an unusually fragile resource. The continuity of the Trail can be shattered at any point along its 2,100-mile length. Incompatible development can significantly influence the experience of the Trail user within the relatively narrow protection corridor. And the loss of even a single parcel of land can adversely affect many miles of the Trail. We therefore respectfully request the Congress to appropriate the necessary funds to substantially complete the permanent protection of the Trail in FY'84.

TAB. I
APPALACHIAN NATIONAL SCENIC TRAIL
PROJECTED ACQUISITION PROGRAM
NATIONAL PARK SERVICE

| STATE | FY'83 | | | FY'84 | | | FY'85 | | |
|---|---|---|---|---|---|---|---|---|---|
| | ACRES | MILES | DOLLARS | ACRES | MILES | DOLLARS | ACRES | MILES | DOLLARS |
| MAINE | - | - | - | - | - | - | 6,000 | 70.0 | 2,000,000* |
| NEW HAMPSHIRE | 1,035 | 10.16 | 664,200 | 1,177 | 6.34 | 888,500 | - | - | - |
| VERMONT | 1,842 | 22.15 | 1,671.900 | 861 | 13.74 | 353,600 | - | - | - |
| MASSACHUSETTS | - | - | - | 231 | 1.84 | 200,000 | 200 | 5.0 | 500,000* |
| CONNECTICUT | 828 | 8.21 | 1,388,000 | 748 | 11.09 | 1,022,900 | - | - | - |
| NEW YORK | 436 | 5.70 | 669,900 | - | - | - | - | - | - |
| NEW JERSEY | - | - | - | - | - | - | - | - | - |
| PENNSYLVANIA | 1,565 | 14.82 | 1,490,200 | 4,600 | 31.08 | 4,109,800 | 1,100 | 10.60 | 2,000,000 |
| MARYLAND | - | - | - | - | - | - | 350 | 6.00 | 500,000* |
| WEST VIRGINIA/ NORTHERN VIRGINIA | 412 | 4.66 | 266,400 | 233 | 1.84 | 73,600 | - | - | - |
| VIRGINIA | 4,187 | 16.71 | 3,889,400 | 1,386 | 6.49 | 1,851,600 | - | - | - |
| TENNESSEE/ NORTH CAROLINA | - | - | - | - | - | - | - | - | - |
| GEORGIA | - | - | - | - | - | - | - | - | - |
| TOTAL | 10,305 | 82.41 | 10,000,000 | 9,243 | 72.42 | 8,500,000 | 7,650 | 91.60 | 5,000,000 |

*These areas are currently projected as state acquisitions, but are included here in the event that federal "back-up" becomes necessary by FY'85.

TABLE II
APPALACHIAN NATIONAL SCENIC TRAIL
PROJECTED ACQUISITION PROGRAM
U.S.D.A.
FOREST SERVICE

| FOREST | FY'83 | | | FY'84 | | | FY'85 | | |
|---|---|---|---|---|---|---|---|---|---|
| | ACRES | MILES | DOLLARS | ACRES | MILES | DOLLARS | ACRES | MILES | DOLLARS |
| GEORGE WASHINGTON N.F. | 45 | * | 32,000 | 200 | * | 76,000 | - | - | - |
| JEFFERSON N.F. | 1,541 | 2.5 | 501,000 | 1,695 | 3.3 | 416,000 | 1,336 | 2.5 | 407,000 |
| CHEROKEE N.F. | 75 | 1.3 | 92,000 | 35 | .3 | 30,000 | - | - | - |
| NORTH CAROLINA N.F. | 575 | 1.6 | 530,000 | 30 | .4 | 28,000 | 43 | .4 | 43,000 |
| CHATTAHOOCHEE N.F. | 155 | * | 205,000 | 40 | * | 50,000 | 40 | * | 50,000 |
| TOTAL | 2,391 | 5.4 | 1,360,000 | 2,000 | 4.0 | 600,000 | 1,419 | 2.9 | 500,000 |

*These areas represent "buffer tracts" intended to provide additional protection and improved access for the Trail.

Senator McClure. National Association of State Outdoor Recreation Liaison Officers, Mary Alice Bivens.

## STATEMENT OF MARY ALICE BIVENS, PRESIDENT, NATIONAL ASSOCIATION OF STATE OUTDOOR RECREATION LIAISON OFFICERS

Mrs. Bivens. Good afternoon, Mr. Chairman. And thank you for giving us the opportunity of appearing before you this afternoon.

And in deference to the time—and you have before you written testimony, which I would like to submit to you for the record—but I would like to paraphrase what we have there, rather than to read it to you, if I might.

Senator McClure. Surely.

Mrs. Bivens. I am Mary Alice Bivens. My title or my job is the director of the Outdoor Recreation Coordinating Commission for Arizona. But I am also here today in the responsibility that I have as president of the National Association of State Outdoor Recreation Liaison Officers.

And we are here today to try to encourage you to continue the efforts that you have so generously extended last year of putting some money into the State side of the Land and Water Conservation Fund program.

And I wanted to let you know that while we appreciate very much these efforts and it has, in fact, brought funds to the States, that it came to us in such a timely manner that it has been put upon us to try to obligate those funds as quickly as possible.

And I wanted you to know that, in Arizona, while we have about $1 million coming to us out of this program for fiscal year 1983, we had over 5 million dollars' worth of requests. And in your own State of Idaho, while there were about $600,000 available to the State of Idaho, they had nearly 10 million dollars' worth of requests in a year where most State and county and municipal budgets were at their lowest and probably as tight as they've ever been and hopefully ever will be.

But I think it exemplifies the fact that this program is needed, and it certainly is being utilized. And the kinds of things that are happening as a result of this program are certainly not only economic stimuluses, but they are certainly adding to the quality of life that we would so like to continue.

I wanted to also just call to your attention that it's come to our attention that in testimony before the House Subcommittee on Appropriations, or Mr. Yates' committee, that the National Park Service has indicated that they plan to, through the budget process, eliminate the Land and Water Conservation Fund program and that the indication is that the States are not able to utilize or not wanting to utilize funds from this program to offset expenditures that they have in their own States.

And I would like to share with you the fact that I feel that while we would like to use our own money to continue operation and the maintenance of existing facilities, there is still a need not only for some acquisition but, more importantly, for the development of facilities that are close to home and that are capital-intensive and that this program is one that has worked well for 20 years. It's certainly a State program.

It has utilized, I think, very beneficially the assistance from the Federal Government. And we would encourage its continuation.

One other thing, Mr. Chairman, that I would like to add is that we have been very much encouraged by the report that has come out from the recreation reassessment or policy reevaluation group that was stimulated by Mr. Rockefeller and chaired by Mr. Diamond.

And we would support, should this come to your attention for consideration, the congressional establishment of another commmission to reevaluate and reassess outdoor recreation in this country. And we would encourage the support of that group.

I think that it's time that we take another look, again, at where we are in this estate and what should be or what could be the appropriate role for the Federal Government to support State and local benefit efforts in its behalf.

Thank you very much, Mr. Chairman. I'd be delighted to answer any questions you might have.

Senator McClure. Thank you for your statement.

I think some people have understood my questions in the past about whether or not the States had obligated their money as being somehow a threat to continuation of funding.

Now, really, it's a search after what our timing ought to be, so that we don't get scarce resources to an area where they cannot be used promptly.

And similarly, the question that I asked today of several others and will ask you now, with respect to how fast can you commit funds to actual labor-intensive projects, is designed only to determine whether or not there's any reason to push for some component of the jobs legislation.

I understand, from what you have said, that, yes, we were late in getting this money to the States, and therefore the States had trouble obligating the money as promptly as they have in past years; is that correct?

Mrs. Bivens. Mr. Chairman, I don't—if I gave you that impression, it was a misunderstanding on my part or a misrepresentation on my part to you. I only wanted to express to you that the lateness of it was something that we tried to very quickly accommodate and that there were probably many more projects that would be submitted to us for consideration had there have been the regular time limit that we would have had.

We know for a fact in Arizona that had we been through a regular process of asking for grant applications and the review process that we would normally go through, that we would probably have had at least twice as many requests as we had. Now, we had that. That was $5 million of Federal money requested.

I am sure that the cities and communities, had they had time to go through their budget process, would have had the opportunity and the funds available to them to come in at least twice that much.

So, what I'm indicating to you is that we are going to obligate these dollars as quickly as we possibly can in the timeframe that we have to, because there's a certain amount, as you very well know, paperwork that has to be accomplished. And that just takes time to do.

The obligation rate, as I anticipate it from talking with other States, is going to be probably as rapid, if not more rapid, than it has been in the past.

And in talking with other States and with other State liaison officers, it's my understanding that the majority of these projects are, in fact, labor-intensive. They are development projects, as opposed to strictly acquisition of land.

While we recognize the need for further acquisition, our feeling right now is, as you've stated it, a need to try to use these dollars in capital-intensive projects that can relate to jobs, either the stimulation of new ones or the continuation of existing ones.

And so, in many States, these are projects that are being funded, as opposed to strictly acquisition.

Senator McCLURE. When we use the term "obligated," we also need to go one step further: How quickly could the funds be expended?

Mrs. BIVENS. Expended.

We have tried very hard, "we" being States, collectively, in cutting down this time period of expenditure.

The program calls for 5 years of time in which the project must be or the funds must be expended. I know in Arizona we're cutting that down as much as possible and trying to get it within a 3-year time period.

In our State, as well as others, we're trying to look at projects that could get underway to start utilizing this money within as short a period of time as 6 months.

So, we feel that not only can we obligate these funds, but we can expend them in a very expeditious manner.

Senator McCLURE. Thank you very much.

Mrs. BIVENS. Thank you very much, Mr. Chairman.

[The statement follows:]

## STATEMENT OF MARY ALICE BIVENS

Mr. Chairman and members of the Subcommittee, I very much appreciate this opportunity to testify before you concerning the Land and Water Conservation Fund. I am the Director of the Arizona Outdoor Recreation Coordinating Commission; however, I am here today in my capacity as President of the National Association of State Outdoor Recreation Liaison Officers. This organization is an association of persons, like myself, who are designated by the Governors of our respective states, territories and the District of Columbia to be responsible for implementing the Land and Water Conservation Fund Act. We have perceived this program to be a unique state/federal partnership which has worked extremely well for nearly 20 years to provide a significant and essential system of park and recreation resources and services.

Mr. Chairman, our organization is fully aware of the pressure this administration and Congress is under to cut federal spending, balance the economy and reduce unemployment, as we in state and local government face the same perplexing dilemma. At the same time, however, we are faced with trying to meet an ever increasing need for park and open space resources which are critical to the mental and physical well-being of Americans all across the country.

The Land and Water Conservation Fund has been a very successful program which is primarily administered at the state level and is directly responsive to state and local needs. Let me briefly share with you some facts and figures which reflect the current status of the states' effective management of this program.

- The passage in the summer of 1964 of the Land and Water Conservation Fund Act (Public Law 88-578) culminated an effort spanning the administration of four Presidents that focused national policy and resources on outdoor recreation needs. This Act was a landmark in the nation's struggle to preserve, conserve and to creatively utilize its outdoor resources.

- The administration of the Land and Water Conservation Fund has become increasingly efficient with the States continuing to maintain high obligation rates indicating a strong demand for Fund assistance.

- The fifty percent matching requirement of the program assures, at least, a doubling of the investment from the Fund. In addition, this is one of the few Federal grant programs which is capital intensive and results in a strong job-oriented operational commitment to projects by State and local governments.

- The Land and Water Conservation Fund program has provided matching funds for over 30,000 individual projects involving land acquisition and recreational development, amounting to an investment of nearly $3 billion.

- This program uniquely contributes to the public infrastructure of the nation's urban and rural areas through investments in perpetual resources; strengthens our country's social fabric through the provision of needed recreation opportunities; and, returns to local, state and national economies vast gains in employment, tax revenues and consumer expenditures generated by healthy recreation, travel and tourism industries.

- It has been a catalyst to state and local entities encouraging the acquisition of significant parcels of land and the provision of public recreation resources and facilities with over $250 million worth of eligible projects remaining unfunded.

- The program represents an effective approach for providing recreation facilities close to the country's population centers as nearly three-quarters (75%) of the Fund assistance received by the states is passed through to local communities providing close-to-home recreational opportunities.

The fact that for the past three years the states' side of the Land and Water Conservation Fund program has been subject to numerous funding uncertainties, a recission, a deferral and a year's moratorium, - it is not difficult to realize that this has had a devastating impact on the states' budgetary planning and development programs. We are now again faced with uncertain funding and an unsupportive federal agency. The budget presented to Congress by the President implied a "freeze" on federal spending at this fiscal year's level and yet the administration again shows a zero for the states' side of the Land and Water Conservation Fund program.

As we indicated to you in testimony last year, it has become quite apparent that the National Park Service no longer recognizes the federal/state "partnership" which once served as the essence of the Land and Water Conservation Fund program. We can only conclude that the motive for this action is to preserve all the funds appropriated from the Land and Water Conservation Fund program for the exclusive use of the National Park Service.

We are therefore appealing to you, today, to recognize the importance of the state and local park units as essential elements in the total nationwide recreation estate and insist that the National Park Service continue the mandates set forth in the Land and Water Conservation Fund Act.

The recently concluded Outdoor Recreation Policy Review Group organized by Mr. Laurance S. Rockefeller and chaired by Henry L. Diamond concluded that the Outdoor Recreation Resources Review Commission be congressionally reestablished. The thrust of this Commission would be to address not should but how federal and state government and the private sector can better link outdoor recreation, environmental and resource management matters together and provide for the interaction of people and resources. In this time of high unemployment and economic stress the Commission would be expected to emphasize the development of an appropriate methodology or structure for the continued protection and enhancement of our vast assets (resources) which have been publicly accrued. We understand that legislation is in the process of being drafted and while the National Association of State Outdoor Recreation Liaison Officers has not taken a position supporting any specific piece, we do support the concept of Congress establishing such a review Commission. We also stand ready to, in any way possible, assist you, the Congressional leaders who might serve on the Commission, and the Commission itself should it be created. The wealth of state and local histories and current information would be available to such a Commission through the State Liaison Officers.

During the time between now and when the recommendation of the Outdoor Recreation Resources Review Commission could be developed and reestablished by Congress, it will be extremely important to sustain the states' side of the Land and Water Conservation Fund program. This effort will enable state and local governments to systematically assess needs and alternatives and to be of meaningful assistance to the Commission.

In summary, Mr. Chairman and members of the subcommittee, the National Association of State Outdoor Recreation Liaison Officers urges you to:

1. Support through legislation and appropriation the reestablishment of the Outdoor Recreation Resources Review Commission to reassess the status of public outdoor recreation and recommend a methodology as to how federal and state government and private enterprise can continue to effectively provide a link between outdoor recreation resources, the environment and resource management.

2. Continue to support the funding of the states' side of the Land and Water Conservation Fund program by reserving funds in the House Budget Resolution so that this vital "partnership" can continue to help sustain the recreation estate. The continuation of the states' side of the Land and Water Conservation Fund program can also provide the necessary bridge between the

administration of the Act as we know it and a program which would be the result of the work of the reestablishment of the Outdoor Recreation Resources Policy Review Commission. The FY 83 appropriation, following the President's guidelines to freeze expenditures at the FY 83 level, would be a sufficient annual level of funding to sustain a minimum program during the "interim".

Thank you Mr. Chairman for the opportunity of being able to testify before you today and for your unselfish and continued support for the program.

Senator McClure. Is there someone here from the National Association of State Universities?

Mr. Gittens. Yes, Mr. Chairman.

Senator McClure. We'll hear from you now.

## STATEMENT OF ARTHUR GITTINS, DIRECTOR, RESEARCH OFFICE, UNIVERSITY OF IDAHO, ON BEHALF OF THE WATER RESOURCES COMMITTEE OF NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES AND THE NATIONAL ASSOCIATION OF WATER INSTITUTE DIRECTORS

Mr. Gittens. Mr. Chairman, my name is Arthur Gittins. I am the director of the University Research Office at the University of Idaho.

One of my responsibilities deals with the supervision of the Idaho Water and Energy Resources Research Institute, and I'm here on behalf of the National Association of State Universities and Land Grant Colleges, to request your continued support of the Water Resources Research Institutes.

I think we'll all agree that water quality and water quantity and its intricate relationships with energy in basic and extractive industries, agriculture, recreation, are all vital to all our interests, whether we're speaking at local or State and regional, national levels.

Research and transmission of the results of research and overall management are, therefore, imperatives in our attention to water.

And not so incidentally is the training of that young talent that we will need to carry on these activities in the future.

While our needs for water will continue to exist in a never-changing world, our demands for water research and management will, of course, likewise continue.

As scientists, we're often assailed with that question of "Why don't you people complete a research program?" The truth is usually, no, we don't complete research programs. We do complete research projects, and we do solve problems.

But that fundamental broad-based research effort is a long-range and ongoing program of building solid research foundations and the capabilities for the application to immediate and every newly emerging problems.

We've found that the institute seems to be the best mechanism yet for providing a focus within our States to address those problems of State, regional, and national importance through a partnership of State and Federal Government and industry and university research in a community which we use to identify, to prioritize, and to outline our problems and to provide the resources to address them.

This institute concept, it's not a new concept. It's a seasoned model. It will work, and it will work well.

We do need to properly generate it, operate it. And we do need to be accountable and have mechanisms for showing accountability.

And while I talk about the Water Resources Research Institute, this is equally applicable to the Mining Institute and it's equally applicable to our fisheries and wildlife units.

I think that we do need to sit down and look at them and examine how they can better operate, but not necessairly to do away with them. I think that that needs to have Federal and State and also industry coordination.

Permit me, if I may, a few parochial examples of an institute in action, using my own home State of Idaho.

With $115,000 a year coming from Federal appropriations and $55,000 from university general funds, we have now been able to generate over $500,000 in funds for research and technology transfer. And of this, over 74 percent is being used for research and not administration.

In 1981, for the record, we operated seven projects with a Federal allotment, four with matching support. And then that generated 16 outside projects, all going. We employed 10 undergraduate students, 12 master's candidates, and 4 Ph. D. candidates for that hands-on-training experience.

And we produced 22 publications involving developing the means for stream and river rehabilitation, from siltation to sedimentation, from road and industry activities; a national program, which you, I think, are familiar with, on low-head hydro workshops for the western region; for industry and consulting, a film on energy, conservation, and irrigation; new fish culture procedures; optimal irrigation schedules—a number of those things which are products of this activity.

All this activity, all this productivity is really only possible through a functional kind of institute which can attract, can facilitate, can coordinate, and enthuse even, under capable management, the units that are needed to get the job done.

And overseen by an advisory committee of Federal, State, university, and industrial representatives, forms what we think is a very, very viable way of going in terms of water resources and research and the like.

I'd earnestly request your support for keeping these vital institutes going.

Thank you.

Senator McClure. Thank you very much for your testimony.

The statement will be made a part of the record.

[The statement follows:]

## STATEMENT OF ARTHUR GITTINS

My name is Arthur Gittins and I am director of the University of Idaho's Research Office. One of my responsibilities is the supervision of the Idaho Water and Energy Resources Research Institute. I am appearing here today on behalf of the National Associaton of State Universities and Land Grant Colleges to ask for your continued support for the Water Resources Research Institutes.

Recently, several changes have been made in the cooperative university water research program. Presently, three units within the Department of the Interior (Office of Water Policy, USGC, and USBR) are handling parts of what was once the OWRT program. While the universities find it more difficult to work with three agencies than one, compromises have been made and some of the operating problems have been eliminated.

However, our view regarding the importance of water research has not changed. We still believe that a viable water research program conducted by our leading universities is of major importance. Hydrologic and climatic records clearly warn that crises will continue to confront us as we stress limited resources in some regions of our country and face toxic waste pollution and environmental health problems in others. In recent years, we have been lucky. We have not recently suffered the misfortune of the severe drought like the one in the Great Plains in the 1930's. We are, however, courting some potentially serious problems in groundwater depletions in many regions of the country.

Let me briefly tell you what we want and what we do not want.

First, we do want to carry out our responsibility in research and education to help prevent the future water problems from being unnecessarily disruptive to the Nation.

The universities do not want to shirk their responsibility. We will work hard to gain balance in our programs with a good base of non-Federal support for our research. Moreover, we will divert our own resources for water research activities when we can do so. However, we strongly believe that the Federal Government has a responsibility for leadership and encouragement in water resources research, which is, after all, a problem that transcends State boundaries.

For years the non-Federal suport to the OWRT program had exceeded Federal support. In our report to you in 1981, we mentioned that State water institutes received only 30 percent of their funds from OWRT, while State agencies provided 43 percent—half again as much.

The universities welcome this greater State responsibility in support of the programs. In fact, in draft legislation which we have promoted regarding the water research program, we have promoted an even more rigorous non-Federal matching requirement in order to qualify a State to participate. In our judgment, this is the best way to assure that both parties have a commitment to the program. I know you are fully aware of the tightness of State budgets and I believe you will agree that university and State resources will not go to any program unless it is judged to be of importance to the State.

Perhaps the issue boils down to the question of whether water is a national concern or is only of importance to the individual States. The universities believe it is both. We do not ask for an increased appropriation in these difficult times. However, we do ask you to recognize that the direct benefits gained from a modest appropriation over the past several years has been significant. Of greater importance, however, has been the developmentof a catalytic reaction whereby the States work together and are now providing the majority of the support for the program. However, a word of caution is in order. We believe that the incentive for cooperation and communication among researchers would be seriously curtailed if a broad view of water problems is lost—a view which has been fostered by the national network of university water researchers which has resulted from the modest Federal support which we have received.

We hope you will provide continuing support for the program at the same general level as is currently provided; and we urge you to encourage the Department of the Interior to quickly allocate those funds the committee has provided. We are always open to ways to improve the effectiveness of our water research program and we welcome your suggestions. Thank you.

Senator McCLURE. Did you have something?

Mr. ALDRIDGE. Yes; I have just a very brief statement to make, sir.

Senator McCLURE. All right.

## STATEMENT OF DAYNE ALDRIDGE, DIRECTOR, ENERGY RESEARCH CENTER, WEST VIRGINIA UNIVERSITY, ON BEHALF OF MINERAL RESOURCES COMMITTEE OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES AND THE ASSOCIATION OF MINERAL INSTITUTE DIRECTORS

Mr. ALDRIDGE. My name is Dayne Aldridge. I'm from West Virginia University. And I'm here speaking on behalf of the Minerao Resources Committee for the National Association of State Universities and Land Grant Colleges. And I'm also the chairman of the Association of Mineral Institute Directors.

I think that much of what's been testified before this committee at previous years does not need to be repeated with regard to the importance of minerals, the problem of manpower that exists in this country and no doubt will exist into the future.

I call your attention to the fact that the minerals institute program is the only avenue for Federal funds that are being directed specifically at alleviating the minerals, engineering, and science manpower problems.

Later on, we will be supplying you with a report of the accomplishments of this program during the past 5 years.

Senator McCLURE. I would hope you can get that report to us fairly quickly.

Mr. ALDRIDGE. It will be coming within about 2 weeks, sir.

Senator McCLURE. All right.

Mr. ALDRIDGE. I have some preliminary data. If you'd like, I can read it into the record.

Senator McCLURE. Well, that's all right. If you can just provide that report in that time frame, that will be satisfactory.

Mr. ALDRIDGE. Fine. Thank you.

And we would, of course, recommend that this program be continued at least at the level that it has been in the past.

Thank you.

[The statement follows:]

## STATEMENT OF DAYNE ALDRIDGE

I am Dayne Aldridge, director of the West Virginia Univesity, Energy Research Center, member of the Mineral Resources Committee of the National Association of State Universities and Land Grant Colleges (NASULGC), and chairman of the Association of Mineral Institute Directors.

My testimony is on behalf of NASULGC and the Association of Mineral Institute Directors and is a request that Congress appropriate funds for continuation of the State Mineral Institute program.

I come before this committee seeking support for a program which is critically important to the security of the United States, but is not included in the President's proposed budget for fiscal year 1984. One year ago, my colleague, Dr. Barton, testified to this committee under similar circumstances. The need for this program has not changed.

Minerals continue to play an increasingly critical role in our national defense, economy, and everyday lives. The data and conclusions presented in the Subcommittee on Interior and Insular Affairs report "U.S. Minerals Vulnerability: National Policy Implications" is as true today as in 1980 when the report was prepared.

The lack of a national commitment to a minerals research program continues to help erode the international competitiveness of our minerals related industries. The Minerals Institute program is the only federally stimulated effort directed specifically at the broad set of problems that affect the cost of extracting the processing minerals.

The critical nature of our minerals industry is closely related to the future supply of minerals engineers and scientists. This not only involves the future need for properly educated manpower for industry and Government, but also the availability of qualified university faculty. The national problem of faculty shortages in engineering and some science fields is well documented. Recruitment and retention of faculty in mineral engineering and science is especially acute because of the specialized nature of the field and the low number of doctoral graduates produced each year. The Minerals Institute program is the only avenue for Federal funds to be directed specifically at alleviating the minerals engineering and science manpower problems.

Last year, Secretary Watt recommended to this committee the termination of funding for the Mineral Institute program "because they are not uniquely Federal and other sources of public and private support should be available to them," I do not understand that statement since in the same testimony three minerals research items of a very specific nature were proposed and virtually all minerals issues involved Federal relationships to the States and industry.

The Minerals Institute program is a federally initiated effort seeking to develop a partnership between industry and relevant States and, obviously, the Federal Government. In less than 5 years of a relatively small Federal investment significant progress has been made in developing the desired cooperative relationships. This is demonstrated most vividly in the current efforts of the American Mining Congress for reauthorization of the Mineral Institute program. A comprehensive report on the accomplishments of the Mineral Institute program is now being prepared and will be submitted to this committee in late March.

In summary, the present Mineral Institute program contributes greatly to the U.S. mineral industry and thus to the Nation's defense capability and economic base by development of new minerals technology and by production of critically needed manpower for industry, Government, and universities. I am convinced that our ability to educate manpower and conduct research at the highest levels of minerals science and engineering is a key factor in our ability to assure freedom and a stable economy for future generations. I strongly urge the reinstatement of funds in the fiscal year 1984 budget for the Minerals Institute program at no less than the fiscal year 1983 level.

## STATEMENT OF ROBERT STEIFFEL, DIRECTOR, WATER RESOURCES CENTER, OHIO STATE UNIVERSITY, AND CHAIRMAN, NATIONAL ASSOCIATION OF WATER INSTITUTE DIRECTORS (NAWID)

Dr. STEIFFEL. Senator McClure, I am Dr. Robert Steiffel. I am the director of the Water Resources Center at the Ohio State University, and also serve as the chairman of NAWID, the National Association of Water Institute Directors.

I would just like to emphasize that the institutes recognize that in several cases there are some problems with the program. NAWID has met and acted on this. We are instituting new guidelines in many ways to improve the quality of the program, and we fully expect to have a much better program this year. Once again, we are late getting started, because of budgetary problems, but we certainly seek your support for future funding.

### SUBCOMMITTEE RECESS

Senator MCCLURE. Thank you very much for your testimony. I appreciate it very much. I think that completes our hearing this afternoon. The subcommittee will stand in recess until Friday, March 4, at 2 p.m., when we will receive testimony on the fiscal year 1984 budget requests for DOE's Economic Regulatory Administration, Energy Information Administration, and Office of Hearings and Appeals.

The subcommittee is recessed.

[Whereupon, at 4:17 p.m., Wednesday, March 2, the subcommittee was recessed, to recovene at 2 p.m., Friday, March 4.]

# Material Submitted Subsequent to the Hearing

[The following material was submitted subsequent to the hearing and will be inserted in the record at this point.]

### LETTER FROM J. GEORGE FRAIN, SECRETARY, THE EIGHTEENTH AND COLUMBIA ROAD BUSINESS ASSOCIATION

MARCH 2, 1983.

HON. JAMES A. MCCLURE,  
*Chairman, Interior Subcommittee on Appropriations,*  
*Dirksen Building, Suite SD–114, Washington, D.C.*

DEAR CHAIRMAN MCCLURE: I am writing to request the privilege of testifying before your subcommittee on the arts, and the appropriations for the arts.

Last year, your subcommittee appropriated $1 million for the Washington Opera, but this was denied in the House-Senate conference.

These and other art matters are of concern to me. Your attention is invited to Mayor Barry's proclamation honoring me for my work on behalf of the arts. A copy is attached.

Please let me know when I may testify.

Respectfully yours,

J. GEORGE FRAIN,  
*Secretary.*

### PROCLAMATION

#### GEORGE FRAIN DAY, OCTOBER 25, 1982, BY THE MAYOR OF THE DISTRICT OF COLUMBIA

Whereas, on Monday, October 25, 1982, the Eighteenth and Columbia Road Business Association will honor George Frain at a special community Octoberfest in recognition of his outstanding contributions to our community; and

Whereas, George Frain, a long-time resident of the District of Columbia, has, over the years, devoted a considerable portion of his time, energy, and resources on a project to create a cultural center for Washington, D.C., which was to eventually become the much heralded Kennedy Center for the Performing Arts; and

Whereas, George Frain continues to work with city groups for the betterment of our city and its citizens, fighting to keep the small businessman alive in Adams Morgan and in the Washington, D.C. metropolitan area:

*Now, therefore, I, the Mayor of the District of Columbia,* do hereby proclaim Monday, October 25, 1982, as "George Frain Day" in Washington, D.C., and call upon all of our residents to join with me in honoring George Frain in grateful acknowledgement of the exceptionally outstanding contributions which he makes to his fellow citizens and to the life of our great city.

MARION S. BARRY, Jr.,  
*Mayor.*

## LETTER FROM MICHAEL L. AINSLIE, PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION

FEBRUARY 2, 1983.

HON. JAMES A. MCCLURE,
*Chairman, Appropriations Subcommittee on Interior,*
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The National Trust for Historic Preservation requests the privilege of testifying before your subcommittee about appropriations from the historic preservation fund for fiscal year 1984.

The administration has requested that no funds be appropriated from the fund in 1984 for support of the national trust and the State preservation programs. As you know, the national trust has been a recipient, through the Department of the Interior, of a matching grant since 1968 to carry out its congressionally mandated preservation responsibilities in the private sector. Elimination of funding would seriously affect the national trust as well as endanger the continuation of most State programs and jeopardize the National Register of Historic Places. We, therefore, particularly look forward to an opportunity to discuss with the subcommittee the future of the Federal-State-private partnership for protection of America's cultural heritage.

Sincerely,

MICHAEL L. AINSLIE,
*President.*

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## LETTER FROM CHARLES B. SAUNDERS, JR., VICE PRESIDENT FOR GOVERNMENTAL RELATIONS, AMERICAN COUNCIL ON EDUCATION

FEBRUARY 28, 1983.

HON. LOWELL P. WEICKER, Jr.,
*Subcommittee on Labor-HHS-Education, Committee on Appropriations,*
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: As the subcommittee marks up its recommended ceilings for the fiscal year 1984 budget resolution, the undersigned associations urge that spending for student aid and other higher education programs be maintained at least at levels consistent with the Omnibus Budget Reconciliation Act of 1981, which set ceilings through fiscal year 1984.

The following table compares fiscal year 1983 appropriations, the administration's recommendations for fiscal year 1984, and the reconciliation ceilings for fiscal year 1984:

| | Fiscal year 1983 | Fiscal year 1984 (administration) | Fiscal year 1984 (reconciliation) |
|---|---|---|---|
| Student aid (Pell grants, SEOG, CWS, NDSL, SSIG, TRIO) | $3,708,000,000 | $3,598,000,000 | $4,453,000,000 |
| Other HEA programs | 256,000,000 | 145,000,000 | 272,000,000 |
| Total | 3,964,000,000 | 3,743,000,000 | 4,725,000,000 |

In summary, we ask for a budget ceiling at least $1 billion higher than the administration's request for higher education programs, to prevent a reduction of approximately 1 million awards to needy students through elimination of three major programs (SEOG, NDSL, SSIG) and drastic revision of Pell grants and TRIO. The administration would also eliminate several categorical programs of priority national importance, providing support for graduate fellowships, language and area studies, college and research libraries, cooperative education, college housing, et cetera.

Our recommended ceiling would make it possible to maintain these programs, and to make modest improvements in student aid in recognition of the serious attrition in the value of awards due to inflation. Specifically the reconciliation ceilings would provide $3 billion for Pell grants, which would make it possible to partially restore the value of the award while maintaining middle-income student eligibility. The reconciliation levels for other student aid programs would provide 260,000 additional campus-based and State awards.

This would provide important help for needy students in meeting educational costs which cannot be met from family resources or State and institutional funds. The extent to which Federal aid has been eroded by inflation in recent years is startling. For example, the Pell grant maximum met 46 percent of the average cost of attendance in fiscal year 1979, the first year it reached $1,800 (even then, it only provided 28 percent of the cost of attendance for students attending independent institutions). An $1,800 maximum award in fiscal year 1984 would meet only 25 percent of the average cost of attendance, and only 16 percent of cost for students at independent institutions. Increasing the maximum award would provide more funds for the neediest students and for students between $10,000 and $25,000 family income.

While the guaranteed student loan program is not included in ceilings for purposes of the budget resolution because it is an entitlement program, we note that the administration's estimate of $2.047 billion for GSL in fiscal year 1984 assumes programmatic changes which would further restrict eligibility for the program and double the origination fee for graduate students. Without these changes, which would require legislation, our estimate of the cost of GSL would be approximately $2.2 billion.

The recommendations outlined above are the maximum allowable under the Reconciliation Act ceilings, but we also believe that they represent the minimum necessary to sustain Federal student assistance programs. If Congress were to raise the reconciliation ceilings, further increases in student aid could well be justified.

For example, we would strongly recommend increases in student aid programs to the levels authorized in the Education Amendments of 1980. This would include Pell grant funding of $3.5 billion—$500 million over the reconciliation ceiling—to help overcome the effects of inflation for the neediest students and retain middle-income eligibles in the program. College work-study would be increased to $800 million—$250 million over reconciliation—to provide 430,000 additional awards over fiscal year 1983 funding (we agree with the administration that this is an important program to help both undergraduate and graduate students finance their education). And SEOG would be increased to $480 million—$110 million over the reconciliation ceiling—to provide 208,000 additional awards over fiscal year 1983 funding for this vital means of supplementing Pell grants for needy students attending higher priced institutions.

Until the Reconciliation Act is amended, however, we urge that the fiscal year 1984 budget resolution reflect the intent of Congress in establishing ceilings for higher education programs.

We would like to remind the subcommittee of the need for fiscal year 1983 supplemental funding for student aid as outlined in our letter of February 16.

This letter is sent on behalf of:

American Association of Community and Junior Colleges.
American Association of State Colleges and Universities.
American Council on Education.
Association of American Universities.
Association of Catholic Colleges and Universities.
Association of Jesuit Colleges and Universities.
Association of Urban Universities.
Council of Independent Colleges.
National Association for Equal Opportunity in Higher Education.
National Association of College and University Business Officers.
National Association of Independent Colleges and Universities.
National Association of Schools and Colleges of the United Methodist Church.
National Association of State Universities and Land-Grant Colleges.
National Association of Student Financial Aid Administrators.

Sincerely,

CHARLES B. SAUNDERS, Jr.,
*Vice president for governmental relations.*

### STATEMENT OF MICHAEL J. HOBOR, CORPORATE VICE PRESIDENT, RUST-OLEUM CORP.

This is submitted as part of a public and private sector team effort to encourage Federal support for the National Trust for Historic Preservation. I can provide a private sector perspective; I will also provide a personal one. My thoughts are organized into four parts: (1) Why preserve through the national trust?; (2) Federal support as the key to corporate support; (3) the business value of Rust-Oleum's support; and (4) the usefulness of historic preservation.

*Why preserve through the national trust?*—I became a preservationist 15 years ago; joined the national trust 10 years ago; quit the trust 8 years ago, and rejoined last year. The old trust had no place for me, and I had no time for it. The new trust has a place for everyone, and I'm proud when it can use my time. What's changed? Here's my perception: The old trust seemed to treat preservation as a private indulgence, while the new trust uses preservation as a public resource. The old trust seemed to sustain social elitism, while the new trust is eager to support the social values of access and use needed to sustain a national community among diverse peoples. The old trust emphasized aesthetics almost exclusively, while the new trust puts its support behind the increasingly shared values of reuse, conservation, and a balanced blend of the best of old and new. Today's trust is involved in making the past accessible and usable and that's enough to move me from a believer in preservation to a believer in the trust as the best way to advance historic preservation in this country. The trust is the only body large and sophisticated enough to carry out the national task and willing to do it in ways that fit the needs of a democratic and pluralistic society.

*Federal support as the key to corporate support.*—One key to corporate financial support for the trust is that the organization must be viable—everybody loves a winner. The short-term key to viability for the trust is Federal support. The corporate sector needs time to adjust, time to understand that its financial support is not only needed but legitimate. And that is the other key to corporate support—that it be perceived as a legitimate expense in the eyes of the business community.

Here's what Rust-Oleum and the trust have been teaching each other, and I don't think its been said clearly before: Rust-Oleum's support of the trust is not charity but rather a valid business purchase. We are buying things from the trust.

At Rust-Oleum, corporate charities are in the purview of the president. He has the donations budget and gives funds to hospitals, schools, social service agencies and so forth. Funds paid to the trust do not come out of that budget. They come out of my budget, the sales and marketing budget, and from the very beginning have been cataloged and viewed as a marketing expense much like advertising or the printing of product literature.

Now, if I'm right that it's accurate to think of our relationship with the trust as a series of purchases, not donations, it's a powerful point—only a small organization can live on donations; big organizations live on sales. But we need time to think it through and to teach it by example, and make the example public and easy to understand, and all that time the trust needs to remain viable and so needs you.

Looked at this way, the trust is in a position analogous to public broadcasting stations which were once supported almost exclusively by public money and donations, but now need to recruit more corporate support through the sale of commercial time. The disadvantage the trust has in this is that PBS have an obvious asset they can sell—media time. The things the trust has to sell are not yet as well understood.

If we succeed in understanding better what the trust has to sell, the result is likely to be a stronger trust enhanced by a changed mix of public and corporate support. Public support will always be needed, but the private sector will be there too, and in a serious way. At this point in the trust's history, continued Federal support is like launching a new venture—if you withdraw it too soon or fund it too modestly, it will fail.

*The business value of Rust-Oleum's support.*—Each purchaser can get something different according to its needs and the trust's legitimate ability to meet those needs. Rust-Oleum gets a number of things whose final value will depend on our use of them.

For starters, we get access to the goodwill of the preservation community—both professional and do-it-yourselfers—and studies show this to be a growing customer base. We get adoption of our products and, therfore, a high probability of purchase for reuse at a later date. We get additional access to influential decisionmakers in the engineering profession. We get information about needs for new products that may make sense for us to introduce into the market. In short, we get more access, adoption, and attention from the marketplace, and that's key to any successful business.

But potentially we may get much, much more. Here's the thought that's developing. As Rust-Oleum thinks about its future and commits its human and intellectual and capital resources to future oriented projects, it's essential that we have a concept to rally around—a concept simple, related to our past and our skills, but also generous enough to encourage us to do new things to foster corporate growth.

But what rally cry can be used? The old cry was "paint" or at times "protective coatings"—but that's too narrow to take us into the future. Here's where some creative thinking about the facts can help. Market research has taught us something very interesting about the people who buy Rust-Oleum either for use in their home or at the factory. When they think about why they need Rust-Oleum for a particular task, two words are associated in their minds—(1) appearance and (2) protection. Rust-Oleum is used on surfaces that are seen and need to look good and are also exposed to harsh environmental conditions and so need to be protected—like the Space Shuttle Columbia whose reusable solid-fuel rockets are painted with our products. Appearance and protection—that's preservation. Rust-Oleum in the past was in the paint business—in the future we will very likely be in the preservation business with all the potential new products and services and growth and job-creating opportunities that implies.

Our relationship with the national trust is one of the many ways we will use to convey and explore our new understanding of our future, both to ourselves and to those why buy our products. And that's the big potential in it for Rust-Oleum.

For this Rust-Oleum has transferred to the trust approximately 1.5 million dollars' worth of paint in the last year. That paint has furthered the historic preservation of almost 100 separate trust-certified projects containing many hundreds of buildings, bridges, and other historic structures. Some of those projects are museums, others house children's and social service agencies. Still others are refurbished housing for low-income families in historic districts. In addition, Rust-Oleum has provide the trust with $500,000 in cash and expects to increase that to a cumulative six-figure amount in the next few years.

*The usefulness of historic preservation.*—The final point I want to make is a bit more abstract and focuses on the value and usefulness of historic preservation per se. Our economy is changing. It's not just in recession; the structure of our national economic life is shifting from what might be called a high-industrial society to an emerging high-technology society. It's going to take time. It isn't going to be easy. It's probably unavoidable. It's almost certainly essential to the future prosperity of the Nation.

But if high technology is the future, it's also frightening. Frightening to those who fear job displacement. Frightening to those who see high-tech as a ruthless replacement of earlier, gentler, civilized, and human ways learned by us as a people long before the development of the micro-chip. In this fear is the danger of a latent rejection of the high-tech future—a "foot bracing" that will have tragic economic consequences far in excess of the evils imagined by those who are tempted to fight against the new technology for its seeming coldness, sterility, and inhumanity.

The trust has a role to play here—not an exclusive role, but a vital one. In preserving and making accessible part of the superb accomplishments of the American past, the trust affirms human values that can help give Americans the necessary courage to commit themselves to the new vigor of a high-tech future, assured that they have not left all the good and security of the past behind, but rather that they are able to use the past in a way that allows us all better to enter the future.

In short, if we as a society are going to negotiate successfully the transition into a high-tech economy—and that is almost certainly essential for our future prosperity—we have to balance the apparent hardness of high-tech with the acknowledged human "softeners" which organizations like the trust provide. This balance, I believe, will be essential. If high-tech is not balanced this way, it will be resisted and in that act we will condemn ourselves to the economic shallows.

The buildings and activities of the trust should not be supported as a way of worshiping a past—no matter how distinguished—but rather as a way to get us more securely and easily into the future high-tech economy.

## STATEMENT OF JACK G. DUNCAN, SPECIAL COUNSEL FOR NATIONAL POLICY, AMERICAN COUNCIL FOR THE ARTS

Mr. Chairman, my name is Jack Duncan, and I serve as Special Counsel for National Policy to the American Council for the Arts (ACA). I am here today to present ACA's views on FY84 appropriations for the National Endowment for the Arts (NEA).

ACA is a national organization which seeks to advance public and private support for all the arts by promoting communication, management improvement, and problem-solving among those who shape and implement arts policy. Our Board of Directors includes well known artists, leaders in the business world, arts administrators, and others committed to strengthening the arts in this country.

The American Council for the Arts would like to urge this Subcommittee to provide an FY84 appropriation of $168 million to the NEA. We feel this funding level is both reasonable and necessary for the continuation of the public-private partnership that has helped the arts bloom in America since the creation of the NEA in 1965.

First, let me point out that the arts, under both Republican and Democratic Administrations, received a steady increase in federal support from 1965 until appropriations peaked at $158.795 million in FY81. Since that time, support has declined by approximately 10%. However, if inflation is taken into account, then an FY84 appropriation of roughly $200 million would be necessary just to hold even with the FY81 level.

Those of us in the arts community recognize that these have been difficult times economically for everyone, and we have not tried to argue for an exemption from the belt tightening that has been required of many programs which receive federal support. These estimates, however, demonstrate that the arts, too, have made a sacrifice, and that the Administration's proposed cut of 13% is much more harsh than at first seems apparent.

The second point I would like to make is that business and the private sector have not, and will not, be able to make up this shortfall. Reputable leaders in the business community have made this point time after time. Business contributions must necessarily be affected by the economic climate, and business is having to cope with the same economic difficulties that beset the federal government. While profits are being squeezed, applications for financial assistance from private sources, such as the Dayton Hudson Foundation and AT&T, are up. Contributions staff at AT&T also indicate that these requests are taking on a more desperate tone, and many more smaller organizations are applying for help.

Third, I think it is important to recognize that it is not just a matter of replacing federal dollars. The private sector is not able to fill the gap left by diminished federal support for the arts because there is a very distinct difference between the kind of support the public and private sectors can provide, and the reasons for such support.

On the whole, business looks for what is safe, accepted, and visible, and there is certainly nothing wrong with this. They want to support arts groups which are already recognized as important, and which have a "track record". However, if the arts are to flourish, then there must also be support for innovation and experimentation, and for artists and companies which are just getting started. Seed money to encourage small, struggling arts groups with promise has been made available through the National Endowment for the Arts, and has resulted in a livelier, more creative arts environment in America.

You might say that federal dollars support the "R&D" aspect of the arts by providing opportunities for new works or experimental methods of artistic expression to be experienced and "tested" in the public forum. The NEA, because of its stature as a federal body, is able to draw upon the judgement and advise of "peer panels" of established, recognized artists to judge what is most worthy of NEA support and encouragement, determine unmet cultural needs, and discover emerging cultural trends. There is a very real need for this type of on-going investment in our nation's cultural life. If we postpone or shortchange this investment, then we sap the vitality that comes from new artists and new ideas.

Federal arts support is also important in broadening our nation's cultural life by supporting public outreach which enables artists and their works and ideas to reach persons who live outside the traditional cultural centers. Business, quite naturally, supports primarily those activities in their own communities and cannot be expected to meet the needs of other regions or constituencies which are unserved. The uplifting of the human spirit that comes from artistic experiences, whether as a creator of art, or as one who responds to it, should be available to all of our citizens, regardless of income, age, race, the size or location of their community, or other factors.

Viewed pragmatically, this broad based exposure to the arts can, in turn, stimulate interest and support for the arts where it might not have existed before. If a city councilman or a state legislator personally experiences the spiritual uplift that comes from the arts, or if they are approached by constituents who have been exposed to such experiences, then they will be more interested in supporting such activities in their own communities.

Even more pragmatic, the arts are good business. They make communities more desirable places in which to live, as well as create employment and generate income far beyond the level of the individual artist. Perhaps the most stunning example of this is the recently released economic impact study by the Port Authority of New York and New Jersey, and the Cultural Assistance Center, which found that the arts have a $5.6 billion impact on the New York City and New York - New Jersey metropolitan economy. As an industry, they are "larger than advertising, hotel operations, management consulting, or computer and data processing services." In recognition of the economic benefits the arts can bring to a community, ACA and the Ontario (Canada) Ministry of Culture jointly sponsored a conference, "Tourism and the Arts: Making the Connection Profitable", in Toronto this month.

Support for public outreach, innovation and experimentation through federal "seed money" are very important, but there is one more critical element that must come from the federal government, and that is leadership. Federal support for the arts is important in stimulating both private and public support for the arts. This is achieved both by actual federal dollars, and the symbolic importance of federal willingness to invest in the cultural life of our nation. Consequently, when the federal government more or less says, "I am bailing out," it hardly encourages government at other levels or the private sector to dig deeper into their pockets for something which national leaders in Washington obviously feel is not important enough to justify the expenditure of federal dollars.

Reduced support for the NEA also means that they are less able to do the things for which the private sector relies upon them. Stephen Stamas, ACA Board Member and Vice President of Corporate Affairs for Exxon, expressed a broadly held opinion when he said that, "Often the fact that the NEA is willing to evaluate and be involved in a project gives confidence to a private funder and encourages participation." With fewer dollars, the NEA can do less in this way to encourage private support for the arts. If support for the arts is indeed a public-private partnership, then the public sector must be committed to fulfilling its role in that partnership.

Federal dollars are, and will remain, very small in terms of individual arts institutions' budgets, and as a percentage of overall national support for the arts. However, as I have tried to explain, they are nevertheless a critical component, which cannot be reduced without having an impact on the overall climate for giving to the arts, and the vitality of our national cultural life. While federal arts support does not determine whether or not we have opera and dance companies, museums, and theaters, it does have a great deal to do with whether or not there are opportunities across the social and regional spectrum to experience artistic excellence; with whether or not artists and their audiences will have an opportunity to take "risks" and experiment in order to grow artistically; and with whether or not emerging artistic talent will be nurtured.

As has been said so often, Mr. Chairman, federal support for the arts is "catalytic". First, it stimulates artistic growth and development by providing opportunities that might not otherwise exist. Second, it encourages other public and private support for the arts by the example it sets and the "legitimacy" it lends to cultural endeavors. Third, it generates actual dollars through seed money and matching grants. While the dollars are few, the returns are impressive. Yet, as was pointed out at the beginning of my testimony, this support has been seriously eroded in recent years. ACA therefore urges this Subcommittee and the Congress to appropriate $168 million to support the catalytic efforts and leadership of the National Endowment for the Arts. This recommendation, I might stress, has the endorsement of the ACA Board of Directors, which includes a substantial number of corporate leaders who are keenly aware of the current economic climate. In other words, this is not a "pie in the sky" recommendation, but one that is fair, and carefully considered, and which will help assure that our cultural life remains energetic, and strong, and that its benefits are available to all of our citizens.

Eugene Dorsey, an ACA Board Member and President of Gannett Foundation, explains the ultimate reason for supporting the arts this way: "I think that the arts provide a dimension to life that comes close to being essential. I don't look upon them as just niceties. They constitute the civilizing, enriching influences that make life more satisfying beyond the accommodating of basic appetites."

Thank you, Mr. Chairman, for the opportunity to present ACA's views.

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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FRIDAY, MARCH 4, 1983

U.S. Senate,
Subcommittee of the Committee on Appropriations,
*Washington, D.C.*

The subcommittee met at 2:17 p.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## DEPARTMENT OF ENERGY

### Economic Regulatory Administration

### STATEMENT OF RAYBURN HANZLIK, ADMINISTRATOR

ACCOMPANIED BY:
- MILTON C. LORENZ, SPECIAL COUNSEL
- JAMES W. WORKMAN, DIRECTOR, OFFICE OF FUELS PROGRAMS

### Office of Hearings and Appeals

### STATEMENT OF GEORGE B. BREZNAY, DIRECTOR

#### PREPARED STATEMENTS

Senator McClure. The committee will come to order.

This is the time scheduled to review the fiscal year 1984 budget requests of the Department of Energy's Economic Regulatory Administration, Office of Hearings and Appeals, and Energy Information Administration.

We will begin with the Economic Regulatory Administration and Office of Hearings and Appeals, whose fiscal year 1984 requests total $11,861,000 and $5,500,000, respectively.

For ERA the 1984 proposal represents a decrease of some $15,805,000 from the fiscal year 1983 appropriated level, while for OHA the 1984 request is an increase of $250,000 over the 1983 level.

Representing the Department this afternoon will be Mr. Rayburn Hanzlik, Administrator of the Economic Regulatory Administration, and Mr. George B. Breznay, Director of the Office of Hearings and Appeals.

Welcome again this year, gentlemen. Please introduce the associates you have with you this afternoon, and then we will proceed to questions. Your full written statements will be made a part of the record at this point.

[The statements follow:]

## STATEMENT OF RAYBURN HANZLIK

Mr. Chairman and members of the committee, I am appreciative of the opportunity to testify this morning on the FY 84 budget request for the Economic Regulatory Administration (ERA). This statement will summarize the funding requirements next year for the several ERA programs and briefly review the progress in the agency since our last budget review.

The ERA presently administers two major program areas. One is the oil pricing Enforcement Program. The second is the Office of Fuels Programs, which includes the natural gas imports program, the fuels conversion program, the oil imports program, and the electricity imports/exports program. The President's budget requests $11.8 million for ERA in FY 84, with $7.1 million for the enforcement program, and $4.7 million for the various fuels programs and administrative costs.

Since January 1981, when the President decontrolled oil and removed the price control regulatory framework, the ERA has experienced a major change in mission. During the period of controls, ERA was a large agency involved in broad regulation of the energy industry, with over two thousand employees and over fifty field offices. Today it is a small, efficient operation with less than 500 employees, six field offices and a declining workload. With the removal of price controls and modifications of the Fuel Use Act in the summer of 1981, ERA's mission has been limited to completing the oil pricing enforcement work and carrying out limited regulatory responsibilities related to coal conversion and energy import/export activities.

The agency is presently subject to a congressionally-mandated personnel level of 450 full-time permanent employees. This statutory floor was imposed by the Fiscal Year 1982 Supplemental Appropriations Act in September, 1982. The Act also stipulates that the Fuels Conversion program have a minimum of 40 employees, and the conference report to the Act recommends maintaining a minimum of 160 auditors in the enforcement program. These statutory conditions were not fully funded by the Congress in our FY 83 Appropriations Act, and the Department is requesting supplemental pay raise funding.

The FY 84 budget request assumes that the statutory minimum employment level will be removed and the Administration is proposing legislation to achieve that purpose. Maintaining the 450 floor has become a management problem. Additionally, our workload is now reduced to the point where we are having difficulty keeping all of these employees fully productive. This is particularly true in several field offices handling enforcement cases, where the case work is essentially finished.

### ENFORCEMENT PROGRAM

The FY 84 budget request is based on enforcement work projections that were estimated last fall. These projections have been recently updated. Our most recent data suggest that the funding requested is fully adequate for the program in FY 84.

The ERA is responsible for three major elements in the enforcement work of the Department. We conduct audits and investigations of individuals, firms and companies that bought and sold crude oil and petroleum products during the period of price controls. We issue enforcement actions in cases where audits suggest regulatory violations. And we conduct administrative litigation in enforcement cases that involve the major refiners and some small refiners. The Department's Office of General Counsel (OGC) has the responsibility of conducting administrative litigation in all cases where such litigation is not handled by ERA. ERA also maintains the primary responsibility for negotiating settlements of administrative matters not brought to litigation, the major refiner administrative cases brought by the agency, and, in conjunction with OGC, cooperates in negotiating settlements of other litigated cases.

We have requested $7.1 million in FY 84 for the ERA enforcement program. This amount will fund 120 full-time employees, which we project will be necessary to complete the 120 unfinished cases in inventory on September 30, 1983. These cases will include 33 unfinished audits, 57 audited cases in preparation for litigation, and 30 refiner cases in litigation.

Most of the cases under audit or preparation for litigation next October will involve crude reseller firms. This work is presently handled by our Dallas, Houston and Tulsa offices. Our offices in San Francisco, Kansas City and Philadelphia are completing the other types of cases. We anticipate that we will maintain our experienced crude reseller audit and legal personnel in Dallas and Houston next year, in sufficient numbers to properly complete the remaining crude reseller audits and case preparation work. At present, I estimate that a total of 50 to 60 personnel will be required in these two offices for this work. Our offices in Tulsa, San Francisco, Philadelphia and Kansas City would be closed. This will entail a separation of approximately 150 field personnel from the current level.

Personnel in Washington assigned to the enforcement program in FY 84 will essentially be attorneys and litigation support personnel. Most of these personnel will be assigned to refiner litigation work. It is likely that this work may be at a level, due to anticipated major refiner settlements, to permit our personnel to assist the Office of General Counsel (OGC) with its enforcement litigation.

The enforcement program is rapidly reaching the point where it will be entirely a litigation effort. While we continue to reach settlements with companies facing enforcement actions, we are getting down to the "hard core" cases, in which the disputes can be only resolved in court. Our settlement program has resulted in over 250 negotiated agreements since the beginning of fiscal 1982, and many of these have involved small companies.

It would be ideal to settle all of the remaining cases, but most of these involve issues that the companies wish to litigate. We will, however, always be receptive to settling any case, so long as it is in the public interest.

## FUELS PROGRAMS

The President's budget requests funding for two of the four programs presently administered in the ERA Office of Fuels Programs. Funds totalling $1.1 million are requested for the natural gas imports program ($895,000) and the electricity import/export program ($250,000). No funding is requested for fuels conversion activities or the oil imports program.

The natural gas imports program has become one of the most significant areas of work in the agency. This program administers Section 3 of the Natural Gas Act, under which natural gas imports are authorized. With the increased focus on natural gas issues this past year, including attention to this country's import arrangements, the ERA gas imports office has played a key role in the development of departmental policies, as well as processing import authorization requests. During this fiscal year, the Department expects to develop simplified guidelines and policies on gas imports, which should significantly facilitate the process of granting import authorizations in the future. The budget request provides funding for fifteen full-time employees, a decrease of six from the current level. This resource level appears adequate for FY 84.

ERA's budget includes $250,000 for the electricity import/export activity. The workload in FY 84 is projected to be the same as the current fiscal year.

Funding for the fuels conversion office in FY 84 is not being requested at this time in view of decreased workload projections and in anticipation of legislative changes in the Fuel Use Act. The decreases in oil prices have substantially slowed the number of prohibition order requests, and simplified procedures have facilitated the processing of exemption certificates. Under this budget request, the Department anticipates changes in the Fuel Use Act that will end the requirement for processing prohibition orders and exemptions and the need to maintain this regulatory program. Should such legislation not be enacted, I will request the Department to take appropriate action to properly administer this statutory program.

Finally, the budget phases out the oil imports program in ERA. Data-collection responsibilities will be continued by the Energy Information Administration. This is a change that we have long felt appropriate. The program serves no useful function since we are no longer allocating oil imports and fees are not being imposed.

This concludes my prepared statement and I would be happy to answer any questions members of the Committee may have.

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## STATEMENT OF GEORGE B. BREZNAY

Mr. Chairman, members of the Committee, I appreciate the opportunity to appear before you today to discuss the operations of the Office of Hearings and Appeals.

Last year I reported to you that the Office of Hearings and Appeals had made very substantial inroads into its inventory of open cases, having reduced its caseload by 82 percent. I am happy to report that we have made additional reductions in inventory during FY 1983. At the end of January of the current fiscal year, our open case load had been reduced by an additional 30 percent from the same time as last year. This is a substantial reduction -- especially since the the maximum allowable staffing level of the Office is less than the prior fiscal year.

At the end of January, 1983, our inventory of open cases consisted of 456 petitions. These cases involve compliance and enforcement proceedings, petitions pertaining to the prior regulatory program, Freedom of Information Act appeals, and other miscellaneous matters. As I have said on other occasions, all compliance and enforcement cases are vigorously contested because of the sums of money involved, and they usually involve complex legal and factual issues. As a result, none of those matters may be handled summarily.

The inventory which I have described includes, under the heading of compliance and enforcement matters, proceedings in which the Department establishes a claims procedure to return to injured parties monies which have been received in settlement of alleged regulatory violations. Our inventory of open cases includes 108 of these claims proceedings. During the course of these proceedings we have received claims for refunds from large and small businesses, including refiners, paper companies, airlines and hi-tech industries; from states, municipalities and housing authorities; and from individuals who may have been overcharged for petroleum products. More than 2,000 individual claims have been filed so far this fiscal year -- and this pace should continue for much of the remainder of this fiscal year. I would like to emphasize that we do not necessarily require a showing of actual injury as a result of overcharges in these refund proceedings. We realize that for most firms, and particularly for small businesses, records of these prior periods when controls were in effect are hard to produce, and we have established mechanisms to ensure that the standards for approving a refund claim are not unrealistically strict.

We also expect to be called on to administer additional refund proceedings during the 1984 fiscal year. For example, the funds remaining after the $200 million distribution made pursuant to Section 155 of the 1983 fiscal year Continuing Resolution (P.L. 97-377) may be subjected to the claims procedures. Each of these new filings will also lead to many individual claims being filed. Although not included in our caseload statistics, each of these claims requires careful scrutiny and some type of formal administrative action.

As you know, our budget request will permit us to maintain a full-time staff of 110 persons during 1984. This is a reduction of 9 staff years as compared to 1983. I believe that this level of staffing is sufficient in view of the workload involved.

This concludes my prepared presentation. I would be pleased to respond to any questions which you might have.

## INTRODUCTION OF ASSOCIATES

Mr. HANZLIK. Mr. Chairman, I would like to introduce on my right Mr. Milton C. Lorenz, the ERA Special Counsel, and on my left Mr. James Workman, the Director of the Office of Fuels Programs in ERA.

Mr. BREZNAY. Mr. Chairman, I am George Breznay.

Senator MCCLURE. Thank you.

As the compliance program represents the largest reduction in the 1984 ERA budget—from a 1983 level of $21 million to the 1984 requested level of $7,133,000—that seems like the most appropriate place to begin the questioning.

In the past, the compliance program was made up of two main parts, one concerning major refiners and one concerning the nonmajor or other refiners. Although we have combined these for budget purposes, it still helps us get a better notion of what is taking place by looking at each of those items separately.

Mr. Hanzlik, last year at this time, you testified that there were still 89 outstanding compliance violation cases pending against major refiners and some 504 unsettled cases pending against the nonmajors.

What progress has been made in settling these cases in the past year?

Mr. HANZLIK. Mr. Chairman, with respect to the major refiners, we have at this moment 12 companies with outstanding compliance matters against them. Of that 12, 4 have reached tentative settlement agreements, which are in the process now of being finalized. This leaves eight with potential litigation dimensions.

Those eight companies, of which we estimate—with some hope, I might add—that one-half will also be settled within the remainder of this fiscal year, represent approximately 30 cases which will have to be litigated in the event that none of them are settled.

So we are down now to approximately 30 cases from the 89 of last year.

Senator MCCLURE. How many cases are represented by the four that you say have tentative settlement?

Mr. HANZLIK. Approximately 20 or 25.

Senator MCCLURE. This would indicate that of the 89 you had last year there are about 55 represented in those two categories. The other 34 have been completed. Would that be correct?

Mr. HANZLIK. That is a fair statement, sir.

Senator MCCLURE. For those settled this past year, what is the total amount of the alleged violations as compared to the actual total settlements reached?

Mr. HANZLIK. Let me ask the Special Counsel to address that question.

Mr. LORENZ. Sir, that is a very difficult comparison to make because, while there may have been hundreds of millions of dollars of cost violations alleged, the settlements were based upon what the overcharge liabilities may have been.

And a number of our cases were not completely developed at the time of settlement insofar as fixing upon the exact numbers of dollars that would have been at stake.

Senator MCCLURE. Well, you did know what was alleged as violations, didn't you?

Mr. LORENZ. Yes.

Senator MCCLURE. You totaled the alleged violations?

Mr. LORENZ. The total alleged cost claims violations—and again, I am distinguishing between cost and overcharges per se for these refinery cases—were several hundreds of millions of dollars.

The major refiner settlement amounts, which would have been for settlements of cost violations in some cases and for outright overcharges in crude oil cases, totaled since the beginning of this fiscal year about $68½ million.

Senator MCCLURE. It seems to me you are having some trouble giving me a dollar figure on what was alleged.

Last year it was stated in testimony before this committee that there were $8 to $8½ billion in alleged violations. Was that just a figure grasped out of the air last year?

Mr. LORENZ. It was not grasped out of the air, but the $8½——

Senator MCCLURE. Then what was the figure as compared to what you got?

Mr. LORENZ. The figure stated last year of $8½ billion was not $8½ billion of alleged overcharges, but a total of all violations, including cost claims, which might not have resulted in overcharges.

Senator MCCLURE. Now how much of that $8 or $8½ billion was included in those 30 cases, or approximately 30 to 39 cases, that were settled?

Mr. LORENZ. I don't have the figures with me today—I would estimate about $2 billion in alleged cost violations have been settled in the past year.

Senator MCCLURE. All right, and out of that alleged violations of $2 billion, how much did you get?

Mr. HANZLIK. Mr. Chairman, let me try to give you the answer that you are looking for. And the reason, I might add, that Mr. Lorenz is answering the way he is, is because the program has been badly served by the broad misunderstanding of what these alleged violations represent.

Senator MCCLURE. I understand.

Mr. HANZLIK. So we don't even think in those terms any more.

Senator MCCLURE. But it doesn't help not to answer.

Mr. HANZLIK. I understand. We will get you the figures for the amount of alleged violations that were settled in 1982. We don't have them right in front of us now.

Senator McClure. I am sympathetic with the difficulty that you have in looking at alleged violations, because in many instances they were greatly inflated.

Mr. Hanzlik. Exactly.

Senator McClure. I understand that, but nevertheless you used the figure last year. I would hope you haven't forgotten what you said last year.

I remember one thing that was told me a good many years ago, "One of the nice things about telling the truth is you don't have to remember what you said."

I assume you were telling us the truth last year when you said there were $8 to $8½ billion in alleged violations, and I assume that you are telling the truth now when you say that those that were settled amount to approximately $2 billion out of that $8 to $8½ billion of alleged violations.

I am not quarreling with your figures. All I want to do is get them on the record.

I would assume also that if those figures are accurate, both for the statement of alleged violations last year and how much was represented by those that you have settled, there would be some $6 to $6½ billion in alleged violations represented by the cases now pending.

Mr. Hanzlik. That is probably a fair approximation. It ranges from $4 to $6 billion, and the reason there may be some changes in those figures, Mr. Chairman, is we have won and lost some court cases during the year which have changed our calculations on the value of some of these cases.

For the record we will provide you a complete list of both the pending as well as the past violation amounts in terms of their alleged value and the settlement amounts.

### REVISED ESTIMATES OF COLLECTIONS FOR OVERCHARGES

Senator McClure. Last year you said you expected out of that group of cases to collect between $1 and $2 billion. Have your estimates in this regard changed any as a result of another year's experience?

Mr. Hanzlik. Yes, sir. Several important things occurred this past year, primarily in the area of litigation.

We have won several major, important legal issues points in crude production cases, including a case called energy reserves in which over $1.2 billion was in dispute. We have also been successful in a couple of other major cases, and feel in a strong position in some others.

So we have right now a total of somewhere between $2 to $3 billion in crude production cases alone that the Government may be successful in ultimately recovering.

In addition to that, we have a group of crude reseller cases, which last year at this time were in a fledgling state. We could not make any firm overcharge estimates then and we can't do much better today in terms of being precise. But we can now estimate that there is probably $2 to $3 billion in crude reseller cases.

Senator McClure. Billion?

Mr. Hanzlik. Billion. And that estimate is as large as it is primarily due to two very large flagship cases we are now litigating.

Senator McClure. Of those that have been settled in the last year, how much did you collect?

Mr. Hanzlik. In fiscal year 1982, my figures indicate we have collected $942 million from major refinery cases and $111 million from nonmajor cases, for a total of approximately $1 billion.

Senator McClure. So instead of the $1 to $2 billion you estimated last year, if I were to add up all of these—$2 to $3 billion in one category, $2 to $3 billion in another, and about $1 billion in what you have already completed—so that would make a total of somewhere between $5 and $7 billion.

Mr. Hanzlik. I hasten to add, in the crude reseller cases, which have not ripened to the point of any judicial decisions, those numbers could fluctuate dramatically, depending upon how the courts rule on some legal issues.

So it could be $2 billion; it could be zero.

Senator McClure. Well, substantially higher than your estimates of 1 year ago?

Mr. Hanzlik. Yes, sir.

### COMPLIANCE AUDITS

Senator McClure. On page 117 of the justification, you state that you expect that all compliance audits will be completed by the end of fiscal year 1983. You have, in fact, been saying this same thing for each of the past 3 years.

Do you really think all the audits will be completed this year?

Mr. Hanzlik. No, sir.

Senator McClure. Thank you.

Mr. Hanzlik. The budgets in the past, and as well as this one, were always based upon a combination of projections, crystal-balling, and hope. As a program policy we have been aiming strenuously to complete these audits expeditiously. We have had some unforeseen problems in the area of subpena enforcement, which is the major reason we have been delayed in completing the audits.

This budget was compiled late last summer and early fall, and our data today, which I think is reasonably accurate, suggests that we will have at the end of this fiscal year approximately 90 open cases still in audit or document preparation and another 30 in litigation.

So we will have a total of 120 matters before the agency at the end of fiscal year 1983. That could vary up or down, depending upon our success in settlements.

Senator McClure. Are you initiating any new ones, or are you exclusively working on the continuation of old ones?

Mr. Hanzlik. We are exclusively completing the old audits. There may be a rare instance where, in the pursuit of a particular audit or the completion of an audit, we come across information that would strongly suggest potential criminal activity that we had not heretofore been aware of. In those cases we would pursue additional information.

But my understanding is that we have not done this recently, and the inventory is rapidly declining.

Senator McClure. I don't even suspect you of a bureaucratic desire to perpetuate your job, although your estimate of how long you are going to last in this job is different now than it was in each of the first 2 years in which you confidently predicted you would be done.

Mr. Hanzlik. Well, I should say, Mr. Chairman—and we have discussed this before—Government programs have an inertia to them and if left to their own devices, they will go on indefinitely. It is not because of any individual intent; it is just the way the system operates.

One of the reasons, when I first came into this job, that I set these very tough deadlines was to establish clearly as a matter of policy that there was a fixed goal to work for.

In retrospect, some of my goals were perhaps a bit optimistic or ambitious, but yet, on the other hand, I think they served us well in keeping the pressure on ourselves as well as on the companies, to realize that this is not an open-ended program.

You are aware, I know, Mr. Chairman, that the other House at times views this program a little differently than you do. Thoroughness has to be weighed with efficiency and economy, and I think we have had very good balance in this regard. I think if we have erred it has been on the side of thoroughness.

I am confident, as I testify here today, that there is not a single case that we have dealt with while I have been with the Department that I am not proud to state was properly, fairly, and efficiently handled, both in the Government's interest and on behalf of the public.

It is a much more difficult program than I realized when I first began, but Mr. Lorenz and the rest of our professional staff have gone a great distance in getting the work wrapped up. I see daylight growing with each passing month, and I hope by the end of this fiscal year that we will be almost entirely in litigation with the remaining cases.

### CONSENT SETTLEMENTS

Senator McClure. You report that wherever possible you attempt to settle overcharge cases by means of consent settlements. Of the cases settled this past year, how many were settled by consent and how many by other means?

Mr. Hanzlik. In fiscal year 1982, we disposed of approximately 600 cases. Of those, 280 were consent order settlements; another 141 were enforcement actions, or proposed remedial orders; and 180 were cases either consolidated or dropped for lack of legal or factual sufficiency.

Senator McClure. How does this past year's experience compare to that of the previous year?

Mr. Hanzlik. I don't have those figures in front of me, Mr. Chairman, but I think it was the best year the program has had in several years in terms of case output.

Senator McClure. Both in gross numbers and also in the proportion that were done by consent?

Mr. HANZLIK. Well, the gross dollar numbers were better in fiscal year 1981 because the agency settled a total of $1.4 billion that year, but those dollars included several very large major refiner settlements.

### FUELS CONVERSION WORKLOAD

Senator MCCLURE. Again, this year you have proposed no funding for the fuels conversion program and have cited a decrease in projected workload and the possibility of changes in the Fuel Use Act as the reason why.

With regard to the workload, you report that you will process 25 utility conversion orders, receive and finalize 35 FUA facility exemption petitions, and review and approve 155 utility conservation plans during fiscal year 1983.

How do these figures compare with the past 2 fiscal years?

Mr. HANZLIK. Mr. Chairman, I will let Mr. Workman address that question.

Mr. WORKMAN. Let me take each part separately.

In the fuels conversion program, our activity relating to converting existing electric utility powerplants has been largely a function of our progress on the northeast regional environmental impact statement, upon which a number of site specific EIS's would be dependent and upon which final orders that we might then execute would be dependent.

We spent a considerable amount of effort on that northeast regional EIS in fiscal 1981 and in fiscal 1982 and as a result of the Omnibus Budget Reconciliation Act of 1981, we had to wait for utilities to certify the feasibility of those conversions or to elect for us to continue with our ordering process under either the Fuel Use Act or the Energy Supply and Environmental Coordination Act. We also had to put out new regulations on how those certifications would have to come into us and how utilities would have to go about electing for us to continue the processing.

The long and short of it is that in fiscal 1981 we completed our first four prohibition orders under the Fuel Use Act, and that was the total for fiscal 1981.

We received two additional prohibition order requests in fiscal 1982, and we completed two in late fiscal 1982.

So we have completed in fiscal 1981 and 1982 a total of six prohibition orders.

Senator MCCLURE. How about for fiscal year 1983?

Mr. WORKMAN. Fiscal 1983? Oh, moving on to exemptions activity and conservation plans activity?

Senator MCCLURE. Yes.

Mr. WORKMAN. Let me talk about conservation plan activity first. That is not something that goes back to fiscal years 1981 and 1982. It is a new requirement under section 1021 of the Omnibus Budget Reconciliation Act, which required utilities to submit to us by August 1982 conservation plans, which we were then to process.

We were involved very intensely in that activity in the last 2 months of fiscal 1982 and the first 3 months of fiscal 1983. We estimated that 154 utilities were required to submit conservation plans for approval.

We received all 154. We have approved 146 to date. We have four of them that are being processed after having been amended by the utilities, and we have four where we are waiting for amendments to the conservation plans to come into us.

So we are substantially complete with the energy conservation approval process.

With regard to exemptions activity, in the current fiscal year we have received considerably fewer exemption petitions than we had estimated last year. We have received four during fiscal 1983, and we had one carried over from fiscal year 1982 into fiscal year 1983. So we have only five exemption petitions that have been in process during the course of this fiscal year.

Our estimate of something like 35 or 40 prohibition orders for fiscal 1983 has to be considered high, and, depending on what happens to oil prices and the like, I would estimate now that we will not receive more than 20 this fiscal year.

Senator McClure. How many do you have on the books now?

Mr. Workman. We have five. I think that's correct, unless we just completed a couple of them in the last week or so. It takes us about 90 to 120 days to process a petition.

Senator McClure. Now, in 1981, you completed four prohibition orders. In 1982, you completed two. You say you'll complete 25 in 1983.

Mr. Workman. No; what we've estimated in the budget is that we would have 25 that we would be processing. Actually, we had 25 in process at the beginning of this fiscal year. We issued two at the last part of fiscal 1982—on September 30, 1982. We issued on Tuesday of this week 1 other, so we've got 24 that are in process now, and we estimate that by the end of this fiscal year we most likely will have completed 17 of those.

Senator McClure. So you do 17 this year and have 7 left.

Mr. Workman. We would have seven left over that would, if the program were continued, go into the next fiscal year. We believe that we're about to receive 3 more from a utility cooperative in the State of Texas, so we could carry over as many as 10. I don't expect any others beyond that.

Senator McClure. If that's the case, then that workload, if you get 3 more, will be 10 to complete during 1984. Is that correct?

Mr. Workman. There would be——

Senator McClure. Ten or 11 of them.

Mr. Workman. Ten or 11 next fiscal year. We're doing a macrostudy for the State of Florida, looking at 26 units in the State, but we have no reason to believe that we'll get any of those certified to us during this fiscal year.

There's a possibility that some of those could come in fiscal year 1984, but not the full 26 by any means. With oil prices dropping as they are, utilities are less likely to come in at this time. Until they see how oil prices are going to settle out, they are deferring their decisions on conversions.

### GAS TO COAL CONVERSIONS

Senator McCLURE. Well, the current oil market may well result in few proposed conversions from oil to coal. But do you feel that rising gas prices may accelerate gas to coal conversions?

Mr. WORKMAN. Maybe just a few points on what we're seeing in the economy today. Two years ago when oil prices peaked at about $6 a million BTU equivalent, gas prices were running about $2.60 a million BTU, which was less than one-half the price of oil, and coal was running at about $1.50 a million BTU equivalent.

In the last 2 years, residual fuel oil that's going to utilities has come down to about $4.37 a million BTU, a 25-percent decrease in 2 years, while gas prices have gone up some 70 percent and have actually crossed over and are running a little bit higher to utilities on the average at about $4.47 a million BTU.

Coal prices have remained rather stable at about $1.68, I think, a million BTU, the latest figures I have.

The economics still favor coal over oil, but not as much. We may see increased interest in converting from gas to coal—I agree with you—and gas to oil fuel switching.

I think with the rapid changes that you're seeing in fuel costs, that utilities are largely undecided at this stage, until they see what happens with oil.

Senator McCLURE. But they do expect gas prices to keep going up, don't they? Or do they?

Mr. WORKMAN. Well, we have some legislation before the Congress that we hope will assist in straightening out the market, and may lead to, at least in the next year, a 10- to 30-cent reduction in the cost of gas at large.

Senator McCLURE. I'm wondering if you're going to miss that line. But even if it's only stable, coal has maintained stability, as you have indicated——

Mr. WORKMAN. I would agree.

Senator McCLURE. There's a glut of coal on the market today. A lot of coal that's produced can't be sold.

Mr. WORKMAN. I would agree that coal still looks good compared to oil, and it looks a lot better compared to gas than it did a couple of years ago, sir.

Senator McCLURE. But you don't see any concrete signs that utilities are changing. Does that indicate that utilities just don't care what they charge their customers?

Mr. WORKMAN. No; I think that you've got to look also at the factor that there's not a lot of money out there in the utility industry, and, as far as new construction goes, the lack of growth in demand.

Senator McCLURE. They already have PUC orders based on whatever the cost of gas is, and they've got a perfect pass-through on whatever the gas cost is. Is that correct?

Mr. WORKMAN. That's correct.

### UTILITY CONVERSION COSTS

Senator McCLURE. I know the utilities have an immense amount of problems, and I don't mean to pick on them, but the disparity between gas at $4.47 and coal at $1.68 would indicate to me prudent management would be looking toward getting something cheaper if they really cared about what their costs were.

Mr. WORKMAN. It's the capital cost of conversion, too, that's an inhibiting factor right now. Utilities are working with their public service commissions to see what kind of rate modifications there might be or what kind of incentives there might be, to provide capital for those conversions.

I would agree that the long-term economics would dictate a serious look at conversions from both oil and gas.

Senator McCLURE. Well, the figures are stark and startling, and yet if you see nothing going on out there, maybe the current discussion about repealing the Fuel Use Act is premature.

Mr. WORKMAN. Well, I would tend to think that——

Senator McCLURE. Maybe we ought to put some teeth in it.

Mr. HANZLIK. I think, Mr. Chairman, another consideration is what Mr. Workman referred to as the capital cost of converting. And, of course, to meet the standards of the Clean Air Act with the capital-intensive scrubber equipment, it is almost prohibitive to these utilities in this economic climate right now.

And one of the things that we've been hoping for for some time are modifications to the Clean Air Act that would allow utilities to facilitate the conversion process.

Senator McCLURE. As you notice, the Congress moved on that very rapidly during the last year.

Mr. HANZLIK. I saw that movement. It is interesting to note that the program we have right now in ERA is an antiregulatory regulatory program, in which we offer some regulatory shortcuts around certain provisions of the Clean Air Act for utilities which want to convert to coal. So utilities use our regulatory process in order to avoid another one. And we've always felt that it would be much better to simplify the whole system.

This administration is not and cannot be called strongly proregulatory. Yet we have here a program which is regulatory in nature, but its purpose is to help utilities through the regulatory process.

Senator McCLURE. Well if, as a matter of fact, fuel prices are of the magnitude that have been identified here and the differential between fuel prices is as large as it is, then there have to be other reasons why it is not occurring, and we need to find them out.

If it is a regulatory process of the Clean Air Act, that's one thing. If it's simply inertia, that's something else.

Mr. WORKMAN. Let me make one more comment. Most of the conversions that utilities have been considering have been conversions from oil to coal, and that's largely because their units were converted from coal to oil at one time, and they are capable of going back to coal. The boilers are properly sized.

What we're seeing right now is a reduction in the price of oil, so that changes the economics. Even though there is a price advantage when you look at the fuel, you've got to weigh in, as Mr. Hanzlik indicated, the capital costs and to what extent that capital cost can be recouped to determine whether there is an ultimate advantage to the conversion.

Now, the conversions from coal to gas, which look attractive from the fuel perspective, involve boilers that were designed for gas burning only. They're not as easy to convert to coal as would be some of the units that at one time burned coal and had been converted to oil. A gas boiler is typically smaller than an oil boiler, which compounds the problem.

### PETROLEUM IMPORT LICENSING

Senator McClure. I want to take a look for just a moment and ask one or two questions about the petroleum import licensing program.

One of the problems we have in policy judgments is having adequate information. You haven't used this program very extensively, and you have recommended no 1984 funding for that program. Isn't that a part of the process that was identified as necessary to identify the flow of supplies and the quantity of supplies?

Mr. Hanzlik. Yes, sir. And I think clarification here is in order. We have felt for some time that maintaining what in effect is a standby oil import fee operation was just costing the taxpayer money that was not necessary.

Now, this program does several things. Its primary purpose is a standby mechanism in the event that the President imposed a fee on imported crude oil and petroleum products.

At the same time, it licenses the import and export of petroleum products and serves also as a data collection operation.

What we're proposing through this budget is that we maintain the data collection aspect of the program; however, it would be administered by the Energy Information Administration, which is the information gathering agency within the Department. EIA would work with Customs and the Commerce Department to insure that we have accurate and timely data on the flow of petroleum products across our borders, but not have the expense of people being maintained on a contingency basis. We feel that we could crank up very quickly the fee collection mechanism.

Senator McClure. Something that you could close down and then start up again?

Mr. Hanzlik. If the President imposed a fee, that obviously would require more manpower than just maintaining a standby staff. We believe that by maintaining the computer data collection operation within EIA, and having fee collection procedures on the shelf ready to go into operation in the event an import fee were imposed, that within 30 days we could crank up an import fee operation. This would require 5 to 10 people, but our feeling is we shouldn't just keep these people on board for the day in which a fee might be imposed.

And the plan is to have the capability fully in place within the Department without having it as a budget line item.

Senator McClure. As you know, the President has proposed an import fee, but not to take effect for some time. There are others in the Congress who have other plans.

Some specific suggestions have been made that we will have an import fee starting very quickly. Would it make better sense to keep this in being until that's decided?

Mr. Hanzlik. I would think so, Mr. Chairman. Of course, this would not go into effect until the beginning of October, but I would suggest that we monitor the situation closely. It's not a lot of money or a lot of people, and we can respond very quickly to congressional wishes in this respect.

Senator McClure. You have no plans to disband the activity prior to the end of this fiscal year?

Mr. Hanzlik. No, sir.

Senator McClure. Finally, please provide for the record a summary of requirements by object class for each of ERA's budget line items. Staff will provide copies of similar information provided by the USGS for you to use for examples of what it is we're trying to get.

Will you please also provide for the record line item information concerning program financing and personnel? And again, we will provide you with examples of the kind of reporting we'd like to have.

Mr. Hanzlik. We will gladly do so, sir.

Senator McClure. And I would hope that once that's provided, you could also include that in your justification for future years.

Mr. Hanzlik. Yes, sir.

Senator McClure. Thank you.

[The information follows:]

## EMERGENCY PREPAREDNESS AND ENERGY REGULATIONS

### PROGRAM AND FINANCING

| | | Fiscal year— | | |
|---|---|---|---|---|
| | | 1982 actual[1] | 1983 estimate | 1984 estimate |
| | Program by activities: | | | |
| | Fuels conversion | $4,263,000 | $2,070,000 | |
| | Utility programs | 724,000 | | |
| | Compliance | 32,811,000 | 21,515,000 | $7,133,000 |
| | Petroleum, natural gas, and electricity | 3,127,000 | 2,580,000 | 1,145,000 |
| | Program administration | 989,000 | 2,176,000 | 3,583,000 |
| 10.00 | Total obligations | 41,914,000 | 28,341,000 | 11,861,000 |
| | Financing: | | | |
| 21.40 | Unobligated balance available, start of year | -38,143,000 | -3,000,000 | |
| 24.20 | Unobligated balance available, end of year | 3,000,000 | | |
| 25.00 | Unobligated balance lapsing | 5,461,000 | | |
| | Budget authority | 12,232,000 | 25,341,000 | 11,861,000 |
| | Budget authority: | | | |
| 40.00 | Appropriation | 9,232,000 | 24,666,000 | 11,861,000 |
| 44.20 | Supplemental for civilian pay raise | | 675,000 | |
| 50.00 | Reappropriation | 3,00,000 | | |

[1] In many cases, actual data is not available to the level of detail requested; estimates have been made when necessary.

### OBJECT CLASSIFICATION

| | | 1982 actual | 1983 estimate | 1984 estimate |
|---|---|---|---|---|
| | Personnel compensation: | | | |
| 11.1 | Permanent positions | $24,299,000 | $17,610,000 | $5,790,000 |
| 11.3 | Positions other than permanent | 434,000 | 475,000 | |
| 11.5 | Other personnel compensation | 195,000 | 100,000 | 50,000 |
| | Total personnel compensation | 24,928,000 | 18,185,000 | 5,840,000 |
| | Personnel benefits: | | | |
| 12.1 | Civilian | 2,116,000 | 1,940,000 | 630,000 |
| 13.0 | Benefits for former personnel | 1,450,00 | 1,500,000 | 3,000,000 |
| 21.0 | Travel and transportation of persons | 1,405,000 | 665,000 | 325,000 |
| 22.0 | Transportation of things | 125,000 | 100,000 | 35,000 |
| 23.0 | Rent, communications, and utilities | 5,092,000 | 3,410,000 | 1,250,000 |
| 24.0 | Printing and reproduction | 5,632,000 | 1,931,000 | 566,000 |
| 25.0 | Other services | 5,632,000 | 1,931,000 | 566,000 |
| 26.0 | Supplies and materials | 275,000 | 225,000 | 110,000 |
| 31.0 | Equipment | 156,000 | 70,000 | |
| 41.0 | Grants, subsidies, and contributions | 475,000 | | |
| | Total obligations | 41,914,000 | 28,341,000 | 11,861,000 |

## SUMMARY OF REQUIREMENTS BY OBJECT CLASS

[Dollar amounts in thousands]

| | | Fiscal year 1984 base | | Fiscal year 1984 estimate | | Increase (+) or decrease (-) | |
|---|---|---|---|---|---|---|---|
| | | FTE | Amount | FTE | Amount | FTE | Amount |
| | Direct obligations: | | | | | | |
| 11.0 | Personnel compensation: | | | | | | |
| 11.1 | Full-time permanent | | $17,610 | | $5,790 | | -$11,820 |
| 11.3 | Other than full-time permanent | | 475 | | | | -475 |
| 11.5 | Other personnel compensation | | 100 | | 50 | | -50 |
| | Total personnel compensation | 396 | 18,185 | 146 | 5,480 | -250 | -12,345 |
| 12.1 | Personnel benefits | | 1,940 | | 629 | | -1,311 |
| 13.0 | Benefits for former personnel | | 1,500 | | 3,000 | | +1,500 |
| 21.0 | Travel and transportation of persons | | 665 | | 322 | | -343 |
| 22.0 | Transportation of things | | 100 | | 35 | | -65 |
| 23.1 | Rent, communication, and utilities | | 3,410 | | 1,245 | | -2,165 |
| 24.0 | Printing and reproduction | | 315 | | 115 | | -200 |
| 25.0 | Other services | | 1,931 | | 565 | | -1,366 |
| 26.0 | Supplies and materials | | 225 | | 110 | | -115 |
| 31.0 | Equipment | | 70 | | | | -70 |
| | Total requirements | | 28,341 | | 11,861 | | -16,480 |

## PROGRAM AND FINANCING

| | | Fiscal year— | | |
|---|---|---|---|---|
| | | 1982 actual | 1983 estimate | 1984 estimate |
| | Relation of obligations to outlays: | | | |
| 71.00 | Obligations incurred, net | $41,914,000 | $28,341,000 | $11,861,000 |
| 72.40 | Obligated balance, start of year | 42,067,000 | 24,907,000 | 13,568,000 |
| 74.40 | Obligated balance, end of year | -24,907,000 | -13,568,000 | 11,233,000 |
| 77.00 | Adjustments in expired accounts | -4,578,000 | | |
| 90.00 | Outlays, excluding pay raise supplementals | 54,496,000 | 39,028,000 | 14,173,000 |
| 91.20 | Outlays from civilian pay raise supplemental | | 652,000 | 23,000 |

PERSONNEL SUMMARY

| | Fiscal year— | | |
|---|---|---|---|
| | 1982 actual | 1983 estimate | 1984 estimate |
| Total number of full-time permanent positions | 453 | 268 | 120 |
| Total compensable work-years: | | | |
| Full-time equivalent employment | 694 | 396 | 146 |
| Full-time equivalent of overtime and holiday hours | 6 | 5 | 4 |
| Average ES salary | $58,017 | $62,139 | $62,138 |
| Average GS grade | 11.8 | 11.8 | 11.7 |
| Average GS salary | $35,438 | $36,806 | $37,593 |

## OFFICE OF HEARINGS AND APPEALS

Senator McClure. Turning now to the Office of Hearings and Appeals, you last year stated in the justification that you expect to resolve by the end of fiscal year 1985 all compliance and related cases which come to you before the end of fiscal year 1983.

Do you still expect to meet this goal, or has it slipped?

Mr. Breznay. Well, Mr. Chairman, to the extent that ERA is late in getting cases to us, inevitably our processing or closing out of compliance-related proceedings must be tied into that. And I think we're seeing a change in the pace of the enforcement proceedings forwarded to us. Because ERA is experiencing some delay on getting these cases to us for our review, I think that will necessitate a carryover of additional cases into 1984 and 1985, although I can't say with any certainty.

Senator McClure. You have stated this year that you expect to complete all compliance and related cases by the end of fiscal year 1986. Do you think that is a realistic goal?

Mr. Breznay. That statement, when it was made, was on the assumption that there would be no ERA-related cases forwarded to us after the end of fiscal year 1984. In view of the comments today by ERA, it is likely we will still be reviewing compliance-related cases afer fiscal year 1984. In addition, the more complex cases now being filed may involve extensive discovery and require an evidentiary hearing.

In some cases it will inevitably take a minimum of 3 years before a decision can be issued, as in the large crude oil cases now at the Office of Hearings and Appeals. So I would anticipate that if the case is filed in later fiscal years, it could take a minimum of 3 years to complete our review from the time of filing. Under these circumstances, it may not be possible, but I will certainly try to meet the deadline of completing all compliance and related cases by the end of fiscal year 1986.

Senator McClure. I want to probe for a minute on a comment in your written statement concerning claims associated with alleged compliance violations. You write, and I quote:

> I would like to emphasize that we do not necessarily require a showing of actual injury as a result of overcharges in these refund proceedings. We realize that for most firms, and particularly for small businesses, records of these prior periods when controls were in effect are hard to produce, and we have established mechanisms to insure that the standards for approving a refund claim are not unrealistically strict.

This statement troubles me a little because it implies that standards may in fact be unrealistically loose. Is that the case?

Mr. BREZNAY. Well, I hope it is not, Mr. Chairman. We're trying to strike a compromise here. And over many years we have had a tension develop between how exhaustively we need to develop a record so that our decision is ironclad and the need to be quick and responsive to the applicant.

We're trying to strike that balance in the refund area by requiring those firms which are in a position to present records, and would naturally have good data-keeping facilities, to give us the benefit of that information. However, we're sympathetic with the inability of particularly the very smallest firms in presenting extensive data.

So with respect to the smaller firms, we're giving them an option. They can take a refund based on the minimum level commensurate with their total purchases of a particular product over a lengthy period. However, if they have data which can support a larger refund, then we give them the option to come forward and claim a larger share.

Senator MCCLURE. Do you have any means of comparing the standard that you use to other cases in industry where alleged violations result in injury to hundreds or thousands of individuals or companies? What is your process, your standards, and your requirements for evidence compared to other cases? In other words, have you looked to see how it's done in other places?

Mr. BREZNAY. I think we do have evidentiary standards to which we can look, and we regularly have to live up to those standards. Those standards are imposed in court review, which frequently happens in cases where substantial amounts of money are involved.

And I would expect that the courts, when they look at the Department's final decision, which in these cases is the OHA product, use the same standards that they apply in other regulatory areas.

Senator MCCLURE. How many of your awards have been subjected to court review.

Mr. BREZNAY. I don't have a number with me, Mr. Chairman. I would say that, typically in a case where in excess of $1 million is involved, a court review happens in the majority of the cases.

Senator MCCLURE. So your standards are being reviewed on a constant basis by the courts?

Mr. BREZNAY. By the courts and by the Federal Energy Regulatory Commission, which has jurisdiction over certain appeals from OHA's determinations.

Senator MCCLURE. Are you applying the same standards today that you were applying 2, 3, 4, and 5 years ago?

Mr. BREZNAY. I think in the refund area our standards are more lenient. There, the objective is to achieve restitution with respect to a pool of money that the Department has obtained, and I think equitable considerations are paramount in that process where regulatory violations are alleged.

Senator MCCLURE. Finally, for the record, I'll ask you to provide the same object class and financing information that I requested of Mr. Hanzlik. It will be made a part of the record when received.

Mr. BREZNAY. I'll be happy to do that.

[The information follows:]

PROGRAM AND FINANCING

| | | Fiscal year— | | |
|---|---|---|---|---|
| | | 1982 actual[1] | 1983 estimate | 1984 estimate |
| | Program by activities: | | | |
| | Hearings and appeals | $4,646,000 | $5,275,000 | $5,500,000 |
| 10.00 | Total obligations | 4,646,000 | 5,275,000 | 5,500,000 |
| | Financing: | | | |
| 21.40 | Unobligated balance available, start of year | -110,000 | | |
| 24.20 | Unobligated balance available, end of year | | | |
| 25.00 | Unobligated balance lapsing | 264,000 | | |
| | Budget authority:. | | | |
| 40.00 | Appropriation | 4,800,000 | 5,250,000 | 5,500,000 |
| 44.20 | Supplemental for civilian pay raise | | 25,000 | |
| | Relation of obligations to outlays: | | | |
| 71.00 | Obligations incurred, net | 4,646,000 | 5,275,000 | 5,500,000 |
| 72.40 | Obligated balance, start of year | 107,000 | 409,000 | 659,000 |
| 74.40 | Obligated balance, end of year | -409,000 | -659,000 | -734,000 |
| 77.00 | Adjustments in expired accounts | -33,000 | | |
| 90.00 | Outlays, excluding pay raise supplementals | 4,311,000 | 5,000,000 | 5,425,000 |
| 91.20 | Outlays from civilian pay raise supplemental | | 25,000 | |

[1] In many cases, actual data is not available to the level of detail requested; estimates have been made when necessary.

PERSONNEL SUMMARY

| | Fiscal year— | | |
|---|---|---|---|
| | 1982 actual | 1983 estimate | 1984 estimate |
| Total number of full-time permanent positions | 67 | 110 | 110 |
| Total compensable work-years: | | | |
| Full-time equivalent employment | 88 | 124 | 115 |
| Full-time equivalent of overtime and holiday hours | 2 | 4 | 4 |
| Average ES salary | $58,109 | $63,654 | $63,654 |
| Average GS grade | 10.9 | 10.4 | 10.7 |
| Average GS salary | $27,852 | $30,295 | $30,818 |

## OBJECT CLASSIFICATION

| | | 1982 actual | 1983 estimate | 1984 estimate |
|---|---|---|---|---|
| | Personnel compensation: | | | |
| 11.1 | Permanent positions | $2,604,000 | $3,190,000 | $3,390,000 |
| 11.3 | Positions other than permanent | 274,000 | 125,000 | 125,000 |
| 11.5 | Other personnel compensation | 102,000 | 100,000 | 100,000 |
| | Total personnel compensation | 2,980,000 | 3,415,000 | 3,615,000 |
| | Personnel benefits: | | | |
| 12.1 | Civilian | 283,000 | 310,000 | 335,000 |
| 13.0 | Benefits for former personnel | 100,000 | | |
| 21.0 | Travel and transportation of persons | 15,000 | 50,000 | 50,000 |
| 22.0 | Transportation of things | 32,000 | 30,000 | 30,000 |
| 23.0 | Rent, communications, and utilities | 684,000 | 675,000 | 675,000 |
| 24.0 | Printing and reproduction | 173,000 | 170,000 | 170,000 |
| 25.0 | Other services | 279,000 | 525,000 | 525,000 |
| 26.0 | Supplies and materials | 100,000 | 100,000 | 100,000 |
| 99.0 | Total obligations | 4,646,000 | 5,275,000 | 5,500,000 |

## SUMMARY OF REQUIREMENTS BY OBJECT CLASS

[Dollar amounts in thousands]

| | | Fiscal year 1984 base | | Fiscal year 1984 estimate | | Increase (+) or decrease (−) | |
|---|---|---|---|---|---|---|---|
| | | FTE | Amount | FTE | Amount | FTE | Amount |
| | Direct obligations: | | | | | | |
| 11.0 | Personnel compensation: | | | | | | |
| 11.1 | Full-time permanent | | $3,190 | | $3,390 | | +$200 |
| 11.3 | Other than full-time permanent | | 125 | | 125 | | |
| 11.5 | Other personnel compensation | | 100 | | 100 | | |
| | Total personnel compensation | 124 | 3,415 | 115 | 3,615 | −9 | +200 |
| 12.1 | Personnel benefits | | 310 | | 335 | | +25 |
| 21.0 | Travel and transportation of persons | | 50 | | 50 | | |
| 22.0 | Transportation of things | | 30 | | 30 | | |
| 23.0 | Rent, communication, and utilities | | 675 | | 675 | | |
| 24.0 | Printing and reproduction | | 170 | | 170 | | |
| 25.0 | Other services | | 525 | | 525 | | |
| 26.0 | Supplies and materials | | 100 | | 100 | | |
| | Total requirements | | 5,275 | | 5,500 | | +225 |

## ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you, gentlemen, for your testimony this afternoon. The committee may have some further questions which will be submitted to you in writing, for which we would appreciate a quick reply.

Thank you very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Enforcement Program

Question: What progress has been made in settling these areas in the past year? For those settled this past year, what is the total amount of the alleged violations as compared to the actual total settlements reached? Last year you stated that of the $8 to $8.5 billion in alleged violations, you expected to collect between $1 and $2 billion?

Answer: Seven final consent orders totalling $85.6 million were executed with respect to major refiners since March 19, 1982, in settlement of outstanding violation cases. 141 final consent orders totalling $86.9 million were executed with non-major oil firms in settlement of violation cases.

Consent orders issued versus alleged violations for the period March 1, 1982, to February 15, 1983, are:

| | Final Consent Orders | Violations Alleged in Administrative Documents |
|---|---|---|
| Major Refiners | $ 85,610,000 | $1,002,427,184 |
| Non - Majors | 86,926,137 | 110,118,190 |
| Grand Total | $172,536,137 | $1,112,545,374 |

Question: You plan to close your Tulsa, San Francisco, Philadelphia and Kansas City field offices during fiscal year 1984. Why? Will closing these offices adversely effect any of the audit work you are responsible for, including support of any resulting legal activity? How much will you save by closing these offices?

Answer: The Tulsa, San Francisco, Kansas City and Philadelphia offices were maintained in FY 1983 to complete audits initiated by those offices and provide support, when needed, to other ERA offices. Much of this work has already been completed during the first two quarters of FY 1983. The work still remaining should be fully completed by the end of FY 1983, with no program requirement for these four offices in FY 1984. The two field offices that will be maintained in FY 1984 (Dallas and Houston) will provide the audit and other field support for cases litigated by the agency.

Based on FY 1983 spending levels, ERA would save approximately $9.2 million in payroll and benefits, overhead and travel costs by closing the four field offices. Severance costs to close these offices would be approximately $1.8 million.

Question: For the record, please provide the amount of compliance settlements by major and nonmajor refiners for fiscal year 1983 as well as the total amount to date. As you did last year, indicate how the funds were distributed, such as for customer refunds, payments to states, price rollbacks, etc.

Answer: Please see attached chart.

## Settlements and Penalties

| | Refunds to Customers | Roll-backs | Bank Adjustments | Government Escrow | U.S. Treasury Misc. Receipts | Private Escrow | Investment Commitment | Other | Subtotal | Penalties | Grand Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Major Refiners** | | | | | | | | | | | |
| Oct. 1, 82 - Feb. 28, 83 | 31,950,000 | - 0 - | - 0 - | 21,100,000 | 5,510,000 | - 0 - | - 0 - | 10,000,000 1/ | 68,560,000 | 50,000 | 68,610,000 |
| Dec. 1977 - Feb. 28, 83 | 280,801,923 | 67,195,032 | 1,871,296,724 | 180,300,000 | 58,846,154 | - 0 - | 910,000,000 | 97,700,000 2/ | 3,466,139,833 | 2,762,500 | 3,468,902,333 |
| **Non-Major Refiners:** | | | | | | | | | | | |
| Oct. 1, 82 - Feb. 28, 83 | 4,630,226 | - 0 - | - 0 - | 6,400,000 | 8,625,161 | - 0 - | - 0 - | - 0 - | 19,655,387 | 12,852 | 19,668,239 |
| July 1, 76 - Feb. 28, 83 | 187,834,418 | 114,027,957 | 191,854,496 | 284,130,872 | 31,634,007 | 25,115,063 | - 0 - | - 0 - | 834,596,813 | 11,398,546 | 845,995,359 |
| **TOTALS** | | | | | | | | | | | |
| Oct, 1, 82 - Feb. 28, 83 | 36,580,226 | - 0 - | - 0 - | 27,500,000 | 14,135,161 | - 0 - | - 0 - | 10,000,000 | 88,215,387 | 62,852 | 88,278,239 |
| Dec. 77 - Feb. 8, 83 | 468,636,341 | 181,222,989 | 2,063,151,220 | 464,430,872 | 90,480,161 | 25,115,063 | 910,000,000 | 97,700,000 | 4,300,736,646 | 14,161,046 | 4,314,897,692 |

1/ In-kind contribution of crude oil to the Strategic Petroleum Reserve.

2/ Include $43,000,000 in kind contribution of crude oil to the Strategic Petroleum Reserve,
$25,000,000 fund to be distributed to those states and territories in which firm sold product,
$22,000,000 expended in additional purchases to increase supply of fuel oil during winter heating season at a lower price and,
$ 7,700,000 that ARCO agreed to for reductions in increased purchased product costs on any future reporting (cost-pass-through adjustment).

Question: How does this past year's experience compare for that of previous years?

Answer:

Final Consent Orders

| | FY 1980 | FY 1981 | First 5 Months FY 1982 |
|---|---|---|---|
| Major Refiners | $249,799,990 | $141,910,476 | $113,000,000 |
| Non-Majors | 97,734,203 | 144,166,410 | 60,235,561 |

Fuels Conversion Workload

Question: Again this year you have proposed no funding for the fuels conversion program, and have cited a decrease in projected workload and the possibility of changes in the Fuel Use Act as the reasons why. With regard to workload, you report that you will process 25 exemption petitions, and review and approve 155 utility conservation plans during fiscal year 1983. How do these figures compare with the past two fiscal years?

Answer: The following are comparisons of FY 1983 activities with the previous two fiscal years.

Utility Conversion Orders

| | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|
| Orders Initiated | 4 | 2 | 3 |
| In Process | 29* | 27 | 28 |
| Final Action | 4 | 2 | 18 |
| Carryover | 25 | 25 | 10 |

*Thirty-nine additional orders were allowed to lapse by the affected utilities as a result of the election provisions of the Fuel Use Act amendments contained in the Omnibus Budget Reconciliation Act of 1981.

Facility Exemptions

| | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|
| Petitions Received | 34 | 21 | 20* |
| In Process | 92 | 36 | 21 |
| Final Action | 77 | 35 | 21 |
| Carryover | 15 | 1 | 0 |

*New estimate for FY 1983. As of March 15, 1983, 6 petitions covering 8 units had been received.

Utility gas conservation plans were required as a result of the Fuel Use Act amendments contained in the Omnibus Budget Reconciliation Act of 1981. DOE reviewed and approived 146 of the 154 plans utilities were required to submit during the first few months of FY 1983. This is a one-time effort.

Question: What would your workload projections be for 1984 if $2,000,000 was provided as it was this year?

Answer: As indicated above, we expect to issue final prohibition orders by the end of FY 1983 for all but ten units. With the current uncertainty about oil prices, utilitites are deferring decisions on converting from oil to coal, and it is impossible to accurately project additional requests for prohibition orders in 1984. Ten additional for a total of twenty, given the carryover from 1983, is probably not an unrealistic estimate of a 1984 prohibition order caseload if this program were to be continued. Changes to the Fuel Use Act proposed in the Natural Gas Consumer Regulatory Reform legislation would eliminate the prohibitions on the use of oil and gas in new facilities; thus, if enacted, the requirement for exemptions would be nullified and there would be no workload in that area. Natural gas conservation activity would be limited to review of utility progress since conservation plan approvals would be completed in 1983. However, if all of this work continued in FY 1984, a funding level of $2 million would be excessive.

Question: Do you have any new, current statistics which indicate whether voluntary conversions have recently or will be taking place?

Answer: According to our records, since 1980, 17 units comprising 3400 megawatts (MW) have been converted to coal, resulting in oil savings of approvimately 92,000 barrels per day, as displayed in the following table:

| Utility | Station | Units | MW | Bbls/day Savings |
|---|---|---|---|---|
| New England Power | Brayton Point | 1-3 | 1125 | 31,600 |
| | Salem Harbor | 1-3 | 334 | 8,900 |
| VEPCO | Chesterfield | 4 | 188 | 5,300 |
| | Portsmouth | 3,4 | 424 | 11,900 |
| | Possum Point | 3,4 | 353 | 9,700 |
| Florida Power Corporation | Crystal River | 2 | 524 | 14,700 |
| Atlantic City Electric | Deepwater | 7-9 | 121 | 3,200 |
| Savannah Power | Effingham | 1 | 163 | 3,100 |
| Northeast Utilities | Mt. Tom | 1 | 136 | 3,800 |

Because of current fuel price uncertainty, it is not possible to reliably estimate the extent of additional voluntary conversions. However, the softening of world oil prices combined with higher natural gas prices should elicit interest in conversion to coal from utilities which primarily use natural gas as opposed to those which use oil. The most recent requests by utilities for conversion orders support this.

Question: You mention in your written statement that should legislation proposed to change the Fuel Use Act not be enacted, you will "request the Department to take appropriate action to properly administer this statutory program." What do you consider appropriate action? Given the Department's lack of interest in this program the last two years, what action do you really expect the Department to take?

Answer: The Administration's request for the FY 1984 Emergency Preparedness and Energy Regulation appropriation assumes certain legislative changes to the Fuel Use Act. If these changes are not made and funding for Fuels Conversion activities is not provided, it will be necessary to review all statutory responsibilities of programs funded by the appropriation, and within the constraints of those responsibilities and the FY 1984 appropriation ultimately made available, make adjustments to other program funding levels.

### Natural Gas Workload

Question: During fiscal year 1983, you anticipate completing analysis and issuing orders on ten natural gas import applications. An additional ten received in 1983 will not be completed until fiscal year 1984. Do you expect to do any more than these ten in 1984? If so, how many more?

Answer: We now have more current case workload information to supplement the FY 1984 budget request, as follows:

| | FY 1982 | FY 1983 | FY 1984 |
|---|---|---|---|
| Cases Carried Over | 21 | 23 | 17 |
| New Cases Initiated | 16 | 11 | 13 |
| Final Orders Issued | 14 | 17 | 15 |

This caseload represents only new applications and extensions of existing imports. It does not include cases remanded by the courts for further action or proceedings initiated by ERA as a result of complaints or policy changes.

Question: What is the average lapsed time needed to complete work on an application? Why can't more applications be completed in a year?

Answer: The time required to process an import application can range from three months to three years depending upon the specifics of the case, such as:

- whether the application is for a new authorization or an extension of an existing one;
- whether the application is for a large import with domestic and international ramifications;
- whether the case is contested on the criteria (price, need, U.S. balance of payment effects, or security of supply) ERA must examine before granting an authorization;
- whether the proposed start-up date for the import is several years away or is in the near future.

The above factors, as well as other program responsibilities not reflected in case load (e.g., policy development), determine the number of applications that can be processed in a year.

Question: Would more manpower in this area be appropriate?

Answer: Additional manpower would not necessarily reduce the time for processing applications because of due process requirements as well as the factors cited above. Thus, given the specialized skills and quality of personnel in this program, the level of manpower requested appears appropriate for this this work.

## Program Direction

Question: For fiscal year 1984 you have proposed to terminate some 250 full-time equivalent personnel. What are the severance costs associated with this reduction in staff?

Answer: Of the $3,583,000 requested for Program Administration $3 million will be used for separation costs.

Question: The law now requires you to maintain a minimum staff of 450, with at least 40 of these assigned to the Fuels Conversion program. Your budget assumes the law will be changed so that you can get to your proposed level of 146. Specifically, what will you do if the law is not changed? Can we expect the Department to submit a budget request to provide any additional, necessary funds to meet this statutory minimum?

Answer: The Department will comply with the statutory minimum employment levels to the extent possible within the appropriations made available. The Department has no plans at present to seek FY 1984 funding in excess of that currently requested.

Question: You recently provided us with a list of your current contract activities, which showed you expect to maintain eleven fiscal year 1983 contracts totaling $824,900. What do you project this level of contract funding will be during fiscal year 1984?

Answer: The ERA's FY 1984 budget includes $250,000 in contract funds in the Petroleum, Natural Gas and Electricity Operations line for the preparation of environmental impact statements for proposed transmission facilities crossing international borders.

## Office of Hearings and Appeals

Question: Is there a statutory time period by which individuals or companies must file compliance-related petitions?

Answer: There is no statutory time period by which individuals or companies in enforcement proceedings must file compliance-related petitions. Our regulations, however, provide a procedural schedule whereby compliance-related petitions, i.e., statements of objections. discovery and evidentiary hearing requests, responses, and others, must be filed within a specific number of days once a Proposed Remedial Order

(PRO) is issued. For example, the recipient of a PRO must file a Notice of Objection within 15 days of publication of the Federal Register notice of the PRO; a Statement of Objections must be filed within 40 days after service of a Notice of Objection; and motions for discovery and evidentiary hearing must be filed at the same time a Statement of Objections is filed. See 10 C.F.R. Part 205, Subpart O.

Question: For the record, please provide the number of such petitions filed for each year the program has been in existence and project the number of petitions you will receive in each of the future fiscal years 1984, 1985 and 1986 and beyond.

Answer: The Office of Hearings and Appeals (and its predecessors) did not receive an appreciable number of enforcement proceedings during the first 3½ years of the regulatory program. After 1976, the following number of compliance-related petitions was filed during each successive calendar year:

1977 - 327
1978 - 357
1979 - 436
1980 - 429
1981 - 381
1982 - 360

During the current 1983 fiscal year we anticipate the filing of compliance-related petitions to increase sharply to approximately 1000 petitions, mainly as a result of the number of enforcement matters presently pending before the Economic Regulatory Administration (ERA) and the Office of Hearings and Appeals. If ERA completes the winding down of enforcement activities as projected, we anticipate receiving approximately 200 compliance-related petitions in FY 1984, with further decreases in new case filings in FY 1985 and future years. These projections are, however, based upon ERA-projected activities and do not include additional submissions in pending cases which will be received after ERA compliance activity has ceased.

Question: For the past few years we have been looking at the average number of days it takes OHA to resolve a case and the number of cases which are a year or more old. Because of a variety of reasons, and particularly the complexity of the remaining cases, the time it takes to resolve an average case has risen from a low of 69 days in previous years to 271 days during fiscal year 1981. For the first five months of fiscal year 1982, that figure dropped slightly to 249 days. What are your current statistics in this regard?

Answer: As correctly noted, the time it took to resolve an average case dropped from 271 days in fiscal year 1981 to 249 days during the first five months of fiscal year 1982. Our recent statistics for the first five months of fiscal year 1983 show that this time once again decreased slightly to an average of 240 days.

Question: Do you anticipate this time period to be dramatically reduced as we get closer to fiscal year 1986?

Answer: We do not anticipate any "dramatic" reduction in the average length of time for case resolution by FY 1986, although the number of pending complex, compliance-related cases will certainly be less.

Question: I noted last year the good progress you had made towards reducing the cases on hand which were a year or more old. I believe last year you testified that between March 1, 1981 and March 1, 1982, the number of such cases was reduced from 391 to 236. What is this figure projected to be for March 1, 1983?

Answer: There were 223 cases on hand as of March 1, 1983, which were a year or more old. This is a slight decrease from the 236 cases a year or more old at the same time as last year.

Question: How old is your oldest case?

Answer: Our oldest case, Investigation of Common Carrier Pipelines, Ex Parte No. 308 (Sub. No. 1), DOP-0003, was filed with the Office of Hearings and Appeals on February 10, 1978. This unique case originated at the Interstate Commerce Commission and was transferred to the Department of Energy because of the statutory reorganization in 1977. It is still in an investigatory stage.

Question: What standards do you apply to assure that the petitioner in a refund proceeding was indeed injured by the alleged violation?

Answer: In order to assure that a petitioner asserting a claim in a refund proceeding experienced some degree of injury, we require at a minimum a showing that the firm providing the refund (i) sold, directly or through a reseller, a covered petroleum product to the petitioner; and (ii) committed a violation or was alleged to have committed a violation in the sale of that product. In addition, a petitioner must generally show that it did not simply pass on the effects of the violation to its customers through increased selling prices. See, e.g., Office of Enforcement, 8 DOE ¶ 82,597 (1981)(In the Matter of Vickers Energy Corporation).

## ENERGY INFORMATION ADMINISTRATION

## STATEMENT OF J. ERICH EVERED, ADMINISTRATOR

### PREPARED STATEMENT

Senator McClure. We will now turn to the Energy Information Administration, whose fiscal year 1984 budget request totals some $50,800,000.

This represents a technical decrease of $5,600,000 from the fiscal year 1983 level.

However, as approximately 6 million dollars' worth of work conducted in each of the fiscal years 1983 and 1984 by the EIA for the Federal Energy Regulatory Commission will be reimbursed in fiscal year 1984, the 1984 request actually represents an increase of $400,000 over the fiscal year 1983 level.

Representing the Department this afternoon will be Mr. Erich Evered, Administrator of the Energy Information Administration.

Welcome before this committee again this year.

Mr. Evered. Good afternoon, Mr. Chairman, it's a pleasure to be here as always.

Senator McClure. Thank you. If you have some associates you'd like to introduce at this time, you may do so.

Your entire written statement will be made a part of the record.

We'll proceed immediately to questions.

[The statement follows:]

## STATEMENT OF J. ERICH EVERED

Mr. Chairman, members of the Committee, I am pleased to be here today to present the proposed Fiscal Year 1984 budget for the Energy Information Administration (EIA). This request is for $50.8 million. The purpose of my testimony today is to set forth those goals and objectives that can be accomplished by EIA during Fiscal Year 1984 within the context of this budget request.

EIA's mission is to produce and provide useful, objective energy information to the Executive Branch, Congress, State governments, industry, and the public so that those who make decisions about energy in all sectors of society have the tools to make those decisions well. In order to accomplish this, EIA collects, processes, and interprets energy data and exercises independent judgment in the gathering, analysis, and dissemination of information. In support of this mission, EIA plans to remain the pre-eminent source of national energy statistics and objective energy analysis, providing the reference standard for energy information.

The FY 1984 budget of $50.8 million reflects continuation of most basic energy information programs and activities that were conducted during FY 1983. This budget request, like the 1983 budget request, assumes passage of legislation, similar to the "Energy Information Administration Amendments of 1981," to eliminate certain statutory requirements. Therefore, EIA is not requesting funds to carry out those activities that would be eliminated if legislation similar to the "Energy Information Administration Amendments of 1981" is passed.

This budget also reflects the transfer to the Federal Energy Regulatory Commission (FERC) budget of the request for resources to perform information support activities in support of FERC's mission. In FY 1984 these activities are estimated to cost $6 million, the same amount as 1983. EIA will conduct these activities upon receipt of reimbursement from FERC. The full amount of these funds are needed to maintain the fixed cost of operating the automated data processing (ADP) facility and multi-purpose surveys, in fulfillment of EIA's multi-faceted mission.

### 1983 Objectives and Accomplishments

Before I discuss the specific provisions of the 1984 budget, I would like to spend a few minutes highlighting the details of EIA's objectives and accomplishments during FY 1983. There are several key areas that contribute to the accomplishment of EIA's mission: systems, products, burden, quality, resources, and access. These fit together in the overall operations of the National Energy Information System--that is, all EIA's integrated data bases and library of information. Data and modeling systems are used to produce standard and custom ordered energy information products--statistical, forecasting, and analysis reports, data tapes, and other information about energy supply, demand, and related social and economic issues. EIA conducts energy information programs in the areas of oil, gas, coal, nuclear, electric power, alternative sources, energy markets, and consumption. Data collections to support data systems in these areas impose a public reporting burden. EIA uses staff, contractor, and computer resources to operate its systems, and to produce its products. The quality of those systems and products can be assured through quality control mechanisms that have been put in place in past years, through quality assessment and validation, and capital investment in quality improvement. I will elaborate on this latter point more thoroughly in my discussion of the 1984 budget. Finally, EIA answers inquiries and provides access to standard energy information through selling and distributing its products.

During the past two years we have reduced the resources required for accomplishing these objectives from $104 million in 1981 to $56.4 million in 1983. Many activities have been reduced; some have been eliminated altogether. We are now operating much more efficiently, while continuing to provide the basic energy statistics that comprise the National Energy Information System.

We have completed the bulk of the consolidation and streamlining of our publications which was begun two years ago. This consolidation and redesign effort has enabled us to reduce costs, to improve the timely presentation of statistical series, and to make it easier for users to find the information they need.

Major consolidation efforts include:

- Electric Power Annual, replacing 2 previous annuals;
- Petroleum Supply Annual, replacing 4 previous annuals;
- Petroleum Supply Monthly, replacing 4 previous monthlies;
- International Energy Annual, replacing 3 previous annuals;
- Natural Gas Monthly, replacing 3 previous annuals;
- Various coal and coke reports, 4 reports replacing 10 previous reports.

We have also accelerated the production schedule of the Petroleum Supply Monthly by over a month, putting the publication in the hands of the subscribers approximately 2 months after the end of the month of reference. The schedules for all publications are being accelerated through the use of computer generated tables and graphs and the application of the latest available automated composition techniques.

We successfully initiated the redesign of the petroleum marketing information system to convert largely regulatory data collections to more efficient, less costly, and less burdensome statistical collections. The new system became operational last month with the first full collection cycle using the new form and systems. This completes the effort we undertook two years ago when we first anticipated the impact of the decontrol of petroleum products on our information systems. After two years of requirements reviews, public hearings, and workshops, we have developed a product that satisfies the information requirements of data users, while significantly reducing the burden on respondents.

We have significantly reduced reporting burden by 35 percent from the 1980 base burden during this time period, reflecting a total 2 year reduction of 6.2 million person-hours of reporting burden, far exceeding the goals mandated by the Paperwork Reduction Act.

The paperwork review and burden reduction efforts that we have undertaken are implemented in several ways. We are particularly proud of the work done to consolidate multiple data needs in the form EIA-767, "Steam-Electric Plant Air and Water Quality Control Data." This survey is the first multi-agency sponsored form approved by the Office of Management and Budget under the Paperwork Reduction Act, and supports three Department of Energy (DOE) components, the Environmental Protection Agency, and the Commerce Department's Bureau of Economic Analysis. Its design is a result of the concentrated effort to balance individual information requirements with respondent capabilities.

We have published a series of 10 one-time energy consumption reports based upon surveys of the residential, residential transportation, non-residential buildings and industrial sectors. As you are aware, the consumption program produces the only comprehensive information that is available anywhere on energy demand.

We have also accelerated the development of a simplified, efficient modeling system to produce integrated, multi-fuel forecasts through the end of the decade. This system will in part replace the resource-intensive models that were previously used to produce mid-term forecasts. We have both improved and streamlined our short-term forecasting efforts, so that the quarterly Short-Term Energy Outlook is now available to the public approximately one month earlier.

We have undertaken a series of analytical reports concentrating on aspects of the natural gas industry and markets which may be significantly impacted by the scheduled partial deregulation of natural gas under the Natural Gas Policy Act of 1978 (NGPA). The series of studies is entitled "An Analysis of the Natural Gas Policy Act and Several Alternatives." Part I provided a wide variety of information on the current state of the natural gas market. Part II presented the results of a survey of producer/purchaser contract terms providing information on pricing provisions, price escalation clauses and take-or-pay provisions. Part III analyzed the Purchased Gas Adjustment filings (PGA) over recent years of twenty major interstate pipelines. Ongoing studies are currently underway analyzing the Natural Gas Policy Act and selected alternatives to current law. We prepared a series of analyses and presented testimony on the domestic uranium industry for the Senate Energy Research and Development subcommittee. We have also issued timely analyses on several issues facing the electric utility industry.

During this time period we have responded to increasing inquiries from the public for energy information and have improved public access to our information through the development of public use computer tapes. We recently became a direct Government Printing Office sales agent, and are now recovering publication costs from most non-Government users. We also completed the development of a Data Resources Directory, an automated data base containing a comprehensive single source inventory and description of individual data elements, data collection forms, survey frame information, definitions of energy terms, and publications.

All of this has been possible largely because EIA is fortunate to have a dedicated, highly motivated professional staff. Attrition appears to be leveling off, and I believe that we have achieved institutional stability. While we have lost some key people, we are now actively recruiting to replace them.

## 1984 Objectives

During FY 1984, EIA plans to continue to produce and distribute the EIA family of energy information products on schedule. We will continue to operate basic "core" data collection programs and to perform planned timely analyses of relevant energy issues. We will continue to manage the forms clearance process for the entire Department and we will also continue to produce the Department's Information Collection Budget. We will provide basic support to the FERC on a reimbursable basis, and will provide the Executive Branch, Congress, State governments, indust., and the public access to the National Energy Information System, and respond to requests from the White House, Congress, and other Federal agencies for special reports. We will continue to manage EIA programs efficiently, with a minimum of overhead. If legislation similar to the "Energy Information Administration Amendments of 1981" is enacted, we will be able to provide a greater degree of confidentiality for business-submitted information needed for statistical purposes, which will make our operation more efficient, and will reduce respondent burden by allowing EIA to have greater access to other statistical agencies' data.

In order to give you a complete understanding of EIA's request, I want to mention two items for which we are not requesting funds, along with the reasons for these reductions or eliminations.

First, in 1983 EIA specifically and conspicuously did not request funds to conduct the Financial Reporting System and mid- and long-term analysis. Sufficient funds for all EIA mandates were not appropriated. EIA is again not requesting funds for these activities in 1984.

Congress did, however, appropriate additional funds to conduct certain consumption data surveys in FY 1983. EIA is not requesting funds for consumption survey activities in FY 1984. There is no doubt that the information generated by the consumption data surveys is among the most useful that EIA produces. In fact, for some sectors this program is about the only source of information on energy end use and expenditures that exists anywhere, inside government or in the private sector.

While no funds for survey activities are requested, EIA does not intend to discontinue the consumption program in FY 1984 by any means. The funds appropriated in FY 1983 will be used to generate a great deal of data which will become available for analysis in FY 1984. EIA will produce a number of interpretive reports during FY 1984 which will examine trends in the area of consumption of energy. There is sufficient money in the FY 1984 budget for this type of activity, but not for a repeat of surveys similar to those conducted with funds appropriated in FY 1983. It is my professional judgment that the consumption of energy in the residential sector and the commercial buildings sector in this country does not change significantly enough in 12 months to warrant the continuation of this level of survey activity every year. I believe that by FY 1985 or 1986, however, it would be appropriate to examine these areas once again.

The last issue I want to bring to your attention is that of the quality of EIA's information products. As you know from the budget, EIA is deferring a formal request for quality maintenance investment projects for the second year in a row. While some ongoing quality control and assessment activities will enable us to maintain some minimal level of quality, the capital investments in quality maintenance will not take place. The immediate concern is the impact that this deferral will have on the quality of EIA's data and analyses. I want to be straightforward about this matter. At this resource level, I cannot guarantee that EIA's information products will be of the same quality that EIA has produced in the past. But it is my belief that the taxpayers cannot afford this expenditure at this time. There is a competition for extremely scarce resources, and national priorities must be respected.

EIA will defer these activities for the second year, because I believe it to be in the national interest. It seems reasonable to hold EIA to a constant level in 1984, consistent with the freeze elsewhere in the President's budget. Therefore, I am recommending that the Congress not add funds for this purpose to EIA's 1984 budget. I am simply stating that other considerations of greater national priority make this action justifiable.

It is my judgment that this request will enable EIA to continue to accomplish its basic mission in FY 1984, and I hope you will give it favorable consideration.

I will be happy to answer any questions you may have.

## QUALITY MAINTENANCE INVESTMENTS

Mr. EVERED. I appreciate that, Mr. Chairman.

I am pleased to say I speak for the entire agency myself and am prepared to respond to any inquiries you might direct to EIA.

Senator MCCLURE. Thank you.

You've indicated in your written statement that again this year EIA is deferring a request for quality maintenance investments.

You report that "as a result of this further deferral you cannot guarantee that EIA information products will be of the same quality that EIA has produced in the past."

That's a quotation from your statement.

First, why are you deferring these capital investments in quality maintenance again this year?

Did the Department request funds for this purpose in their submission to OMB?

Mr. EVERED. Yes, sir. The Department did request the full $5 million in their request to OMB.

Senator MCCLURE. It was deleted in full by OMB?

Mr. EVERED. That is correct. The rationale is that in the overall budget stringencies in which the Federal Government finds itself, this program of quality maintenance investments could be deferred a second year and be consistent with overall priorities within the Federal Government.

Senator MCCLURE. Can you give me some specific description of what the practical effect of the deferral will be on the quality of information and data?

Mr. EVERED. Yes, Mr. Chairman. The principal areas are in update and maintenance of frames or standard lists of establishments from which we design our information collection systems and surveys.

I'd be pleased to provide detail for the record.

I will quote from a list I have before me of a number of them:

Major frame updates are due for major petroleum supply surveys, fuel oil dealers and resellers, prime suppliers of petroleum products, and the coal production system. Requirements reviews are due for alternate fuels. Updates of our samples to conform with the 1980 census findings are also due. There are a number of other updating and maintenance tasks.

Senator MCCLURE. Could you provide a more extensive list for the record?

Mr. EVERED. Yes, sir, I'd be happy to do that.

Senator MCCLURE. Please make it as extensive as possible.

I suppose there's an obvious question. If you believe that the quality of information is going to suffer because of the lack of this investment, that would also imply that you believe that that information is going to be, to some degree, less accurate or less complete than it otherwise would be.

If that's correct, if that information is, in fact, going to be less complete or less accurate, why should you continue to make it available?

Mr. EVERED. Mr. Chairman, it's my belief that the information will continue to be useful and important in the decisionmaking and policymaking process.

We have brought our information and analytical systems to a very high level of quality over the past few years. A lesser degree of quality does not mean it would be unacceptable.

As I have said, we did recommend—and the Secretary of Energy agreed—that these funds be provided for this purpose. But in the overall Federal Government's budget picture, they were deleted.

Senator MCCLURE. Is there an absolute amount that's necessary or a minimum amount necessary for this quality maintenance? Or is that kind of a graded series of investments that you might make?

Mr. EVERED. It is, indeed, a graded series. It is a gray area; it is not black and white.

The initial program review in this area identified quality maintenance investment tasks costing $8 million.

My judgment, in the development of the budget, was that $5 million represented roughly a minimum level, if we were going to do them. And I've recounted the history to you.

Senator MCCLURE. Would you take just a little extra time perhaps to provide for the record for my use an estimate of what you might do at various levels, where you'd put the money first if you were granted some increase of appropriation for this purpose.

Mr. EVERED. Within the constraints imposed upon me by the Office of Management and Budget, I'd be pleased to provide whatever information the chairman requires.

Senator MCCLURE. I am aware of those constraints by OMB. I am also aware of the fact that if we make specific requests you're bound to reply.

So, I make that specific request. If Mr. Stockman doesn't like it, have him call me.

Mr. EVERED. The chairman is quite correct.

Senator MCCLURE. Thank you.

[The information follows:]

*Prioritized list of quality maintenance activities*

| *Priority* | *Amount* |
|---|---|
| 1—Build a new nonresidential buildings survey frame | $200,000 |
| 2—Reestimate square footage in nonresidential buildings/commercial sector | 250,000 |
| 3—Update of frame for fuel oil dealers and resellers | 750,000 |
| 4—Improve frame of prime suppliers | 500,000 |
| 5—Update of frame for major petroleum supply surveys | 200,000 |
| 6—Update, document, and archive the short-term integrated forecasting system | 100,000 |
| 7—Update sample survey for consumption to account for changes in population reflected in 1980 census | 160,000 |
| 8—Reinterview nonresidential buildings survey respondents | 160,000 |
| 9—Expand frame of fuel oil dealers to include truck stops and retail diesel fuel dealers | 500,000 |
| 10—Improve coverage of petrochemical feedstocks and aviation gasoline | 225,000 |
| 11—Verify electric power company, plant, and region codes in electric power data systems | 250,000 |

*Prioritized list of quality maintenance activities*—Continued

| *Priority* | *Amount* |
|---|---|
| 12—Verify common electric power data elements across all data systems | $350,000 |
| 13—Revise the natural gas liquids system | 60,000 |
| 14—Update frame for coal production system | 100,000 |
| 15—Requirements review for coal form | 250,000 |
| 16—Update companies in alternate fuels frame | 100,000 |
| 17—Implement validation recommendations in the coal production system | 80,000 |
| 18—Correct deficiency in calculating uranium demand | 150,000 |
| Total | 5,185,000 |

## ENERGY CONSUMPTION SURVEYS

Senator McClure. For fiscal year 1984, you're proposing no new funds for energy consumption survey activities. Yet, you also indicate that the information generated by the consumption data surveys is among the most useful EIA produces.

If it's so useful, why are you eliminating it in 1984?

Mr. Evered. Mr. Chairman, I am particularly proud of the residential energy consumption survey and the consumption information gathering activities of the EIA in general.

We have found, through the process of four or five consecutive annual residential energy consumption surveys, that the rate of change in the housing stock and consumption patterns by Americans in the residential sector is not sufficiently rapid to warrant an annual collection of this information.

We do not propose to discontinue the residential consumption program in 1984. We are proposing that we not field another annual survey in fiscal year 1984, but simply defer that until the following year.

I do not intend to discontinue data collections, but simply conduct them perhaps every other year, versus every year.

For our information purposes in the EIA, a biennial survey is perfectly adequate. And we have received indications from at least one principal user within the Government—that is, the Social Security Administration's Office of Low-Income Home Energy Assistance—that every other year's data would be perfectly adequate for their purposes.

Senator McClure. Is there any evidence at all that consumption changes rapidly with respect to or with relation to rapid changes in price?

Mr. Evered. We do not see evidence of that in the residential sector.

You will recall that prices changed rapidly in 1979 and 1980. We do see changes in consumption behavior over time. I believe, that a biennial collection of the survey information, augmented by other information that we have available on a very regular basis, would be adequate for our needs.

Senator McClure. Does that vary according to the degree of change in price?

Mr. Evered. It does perhaps. But——

Senator McClure. Is it a straight-line relationship?

Mr. Evered. Mr. Chairman, it's not a straight-line relationship for a number of reasons. Changes in weather, the rate of change in conservation investments, and many other factors may influence consumer behavior.

We don't have sufficiently detailed information to establish mathematical relationships between consumption behavior and price.

### RELATION OF ENERGY CONSUMPTION TO PRICE

Senator McClure. I guess one of the things that concerns me a little there is that I remember the arguments made when gasoline prices began to rise. Consumption didn't fall at all. And there was a widely proclaimed inelasticity of demand.

As prices moved up from 35 cents a gallon to 40 to 45 to 50 to 55 cents a gallon, there was almost no change in consumption.

That continued to be true until gasoline began to get near the $1-a-gallon mark. Suddenly we saw some very marked changes in consumption patterns.

Isn't it possible that in energy consumption for things other than transportation that there might again be such a breaking point at which it does begin to affect consumption behavior?

Mr. Evered. Mr. Chairman, we have seen a substantial response on the part of homeowners in this country to rising energy prices, from 1978 to 1980.

Even though the number of households actually increased, the amount of energy consumed in the residential sector dropped over that 2-year period by about 18 percent.

So, if there is, indeed, a threshold, we've passed it.

Senator McClure. Do you think we have passed it?

The people out in Kansas City—if I'm hearing Senators Kassebaum, Danforth, and Eagleton correctly—are responding dramatically to a drastic change in price.

Perhaps that change is covered up by statistical averages and thus not quite as drastic. But I just wonder if we fail to collect information, if we'll also fail to understand what some of those points might be at which consumption behavior changes dramatically?

Mr. Evered. Mr. Chairman, the level of geographic detail with which we collect information on this survey form is at the census division level. A census division could contain perhaps 12 States.

We would not be able to capture individual localized phenomena such as that occuring in Kansas City, although, clearly, it is taking place.

I've examined the figures in that area and found that the price of natural gas that has been paid there over the last several years has been far below the national average, and that by whatever means or for whatever reason, gas prices are now rising at a fast rate.

The instantaneous rate of change is quite high, and that's what attracts consumers' attention, notwithstanding the fact that the average price paid is below the national average.

Senator McClure. On page 140 of the justification, you indicate that one of your accompishments in fiscal year 1983 will be to—and I quote—"provide responses to only high priority public inquiries requesting information about energy."

## RESPONSE TO INQUIRIES FOR ENERGY INFORMATION

What do you consider "high priority public inquiries?"

Mr. EVERED. Mr. Chairman, you've put your finger on an item of subjectivity to which I'm hardly prepared to respond.

We have not defined what "high priority" is. It's a general term that we intended to convey the message that we would not be equipped to respond to the same level of inquiries we are now serving, which is at the rate of 70,000 per year.

Senator MCCLURE. Will it affect just the nature of inquiries or the volume of inquiries? Or will it also affect the rate at which you can respond?

In other words, will there be a time lag or a waiting period for the response?

Mr. EVERED. It would likely be a combination of all of those factors.

I would hope that we could continue to serve those whom we consider to have high priority needs in a timely and useful fashion.

If I may characterize what may be considered a low-priority inquiry—and I don't necessarily endorse this, but EIA might characterize as low priority a request for information from a member of the general public, perhaps a student in school inquiring as to some general nebulous energy information matter.

## EIA SUPPORT TO FERC

Senator MCCLURE. For the first time this year, you're getting paid on a reimbursable basis for work performed for the Federal Energy Regulatory Commission.

While I understand this work is performed perhaps more regularly than for other offices, why was FERC singled out as the only agency to reimburse EIA?

Mr. EVERED. Our support to the Federal Energy Regulatory Commission represents the largest part of our resources dedicated to serving another organizational unit in the Federal Government.

We do work for reimbursement by others, which represents an increment to our basic work program.

It was felt that having this budget allocation within the Commission's request would more reasonably reflect the nature of the work involved. And we're confident that we will be able to continue our excellent working relationship with the Commission.

Senator MCCLURE. Is it simply sheer volume?

Mr. EVERED. I'm not certain what you mean.

Senator MCCLURE. Is it just because of the volume of the work?

Mr. EVERED. I suspect so.

Senator MCCLURE. Is it the regularity of the program.

Mr. EVERED. It is an ongoing regular maintenance operation. We handle all of their information collection and processing on a regular basis. It is predictable, it's schedulable, and it is a high-efficiency operation involving large volumes of information.

I would point out that it is quite necessary that we receive the full $6 million amount of reimbursement in order to maintain our ability to operate the integrated information collection and processing program.

Our support to the Commission has been so fully integrated into the fabric of our operation that it cannot be surgically removed and set aside as a separate program.

### OBJECT CLASS INFORMATION

Senator McClure. Finally, just as requested of the FRA and OHA, please provide object class financing and personnel information, as illustrated in the examples which staff will provide to you.

Mr. Evered. We'd be pleased to do that, Mr. Chairman.

Senator McClure. And again, I hope that you will include that in your justifications in future years.

[The information follows:]

COLLECTION, PRODUCTION, AND ANALYSIS—OBJECT CLASS

[Dollar amounts in thousands]

| | | Fiscal year 1984 base[1] | | Fiscal year 1984 estimate | | Increase (+) or decrease (−) | |
|---|---|---|---|---|---|---|---|
| | | FTE | Amount | FTE | Amount | FTE | Amount |
| | Direct obligations: | | | | | | |
| 11.0 | Personnel compensation: | | | | | | |
| 11.1 | Full-time permanent | 374 | $13,445 | 374 | $14,209 | | +$764 |
| 11.3 | Other than full-time permanent | 17 | 611 | 17 | 646 | | +35 |
| | Total personnel compensation | 391 | 14,056 | 391 | 14,855 | | +799 |
| 12.1 | Personnel benefits | | 1,095 | | 1,173 | | +78 |
| 21.0 | Travel and transportation of persons | | 367 | | 367 | | |
| 25.0 | Other services | | 17,695 | | 16,085 | | −1,600 |
| | Total, direct obligations | 391 | 33,203 | 391 | 32,480 | | −723 |
| | Reimbursable obligations: | | | | | | |
| 25.0 | Other services | | 4,188 | | 4,188 | | |
| | Total reimbursable obligations | | 4,188 | | 4,188 | | |
| | Total obligations | 391 | 37,391 | 391 | 36,668 | | −723 |

[1] 1983 appropriation plus supplemental now requested for pay raise.

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

### PROGRAM SERVICES—OBJECT CLASS

[Dollar amounts in thousands]

| | Fiscal year 1984 base | | Fiscal year 1984 estimate | | Increase (+) or decrease (-) | |
|---|---|---|---|---|---|---|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Direct obligations: | | | | | | |
| 11.0 Personnel compensation: | | | | | | |
| 11.1 Full-time permanent | 53 | $1,909 | 53 | $2,014 | | +$105 |
| 11.3 Other than full-time permanent | 5 | 180 | 5 | 190 | | +10 |
| Total personnel compensation | 58 | 2,089 | 58 | 2,204 | | +115 |
| 12.1 Personnel benefits | | 162 | | 174 | | +12 |
| 21.0 Travel and transportation of persons | | 54 | | 54 | | |
| 25.0 Other services | | 9,523 | | 9,223 | | -300 |
| Total, direct obligations | 58 | 11,828 | 58 | 11,655 | 58 | -173 |
| Reimbursable obligations: | | | | | | |
| 25.0 Other services | | 1,812 | | 1,812 | | |
| Total reimbursable obligations | | 1,812 | | 1,812 | | |
| Total obligations | 58 | 13,640 | 58 | 13,467 | 58 | -173 |

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

### POLICY MANAGEMENT—OBJECT CLASS

[Dollar amounts in thousands]

| | Fiscal year 1984 base | | Fiscal year 1984 estimate | | Increase (+) or decrease (-) | |
|---|---|---|---|---|---|---|
| | FTE | Amount | FTE | Amount | FTE | Amount |
| Direct obligations: | | | | | | |
| 11.0 Personnel compensation: | | | | | | |
| 11.1 Full-time permanent | 30 | $1,078 | 30 | $1,140 | | +$62 |
| 11.3 Other than full-time permanent | 1 | 36 | 1 | 38 | | +2 |
| Total personnel compensation | 31 | 1,114 | 31 | 1,178 | | +64 |
| 12.1 Personnel benefits | | 87 | | 93 | | +5 |
| 21.0 Travel and transportation of persons | | 29 | | 29 | | |
| 23.2 Communications, utilities, and other rent | | 3,204 | | 3,150 | | -54 |
| 24.0 Printing and reproduction | | 600 | | 550 | | -50 |
| 25.0 Other | | 481 | | 950 | | +460 |
| 26.0 Supplies and materials | | 300 | | 265 | | -35 |
| 31.0 Equipment | | 500 | | 450 | | -50 |
| Total direct obligations | 31 | 6,315 | 31 | 6,665 | | +350 |

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

## COLLECTION, PRODUCTION, AND ANALYSIS—OBJECT CLASSIFICATION

| 89-0216-0-1-276 | 1982 actual | 1983 estimate[1] | 1984 estimate |
|---|---|---|---|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Permanent positions | $14,145,000 | $13,445,000 | $14,209,000 |
| 11.2 Positions other than permanent | 522,000 | 611,000 | 646,000 |
| Total personnel compensation | 14,667,000 | 14,056,000 | 14,855,000 |
| Personnel benefits: | | | |
| 12.1 Civilian | 1,252,000 | 1,095,000 | 1,173,000 |
| 13.0 Benefits for former personnel | 201,000 | 0 | 0 |
| 21.0 Travel and transportation of persons | 130,000 | 367,000 | 367,000 |
| 25.0 Other services | 33,216,000 | 21,873,000 | 16,085,000 |
| Total direct obligations | 49,466,000 | 37,391,000 | 32,480,000 |
| Reimbursable obligations: | | | |
| 25.0 Other services | 0 | 0 | 4,188,000 |
| Total, reimbursable obligations | 0 | 0 | 4,188,000 |
| Total, obligations | 49,466,000 | 37,391,000 | 36,668,000 |

[1] Includes supplemental now requested for October 1982 pay raise.

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

## PROGRAM SERVICES—OBJECT CLASSIFICATION

| 89-0216-0-1-276 | 1982 actual | 1983 estimate[1] | 1984 estimate |
|---|---|---|---|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Permanent positions | $2,867,000 | $1,909,000 | $2,014,000 |
| 11.3 Positions other than permanent | 248,000 | 180,000 | 190,000 |
| Total personnel compensation | 3,115,000 | 2,089,000 | 2,204,000 |
| Personnel benefits: | | | |
| 12.1 Civilian | 344,000 | 162,000 | 174,000 |
| 21.0 Travel and transportation of persons | 70,000 | 54,000 | 54,000 |
| 25.0 Other services | 16,958,000 | 11,335,000 | 9,223,000 |
| Total direct obligations | 20,487,000 | 13,640,000 | 11,655,000 |
| Reimbursable obligations: | | | |
| 25.0 Other services | 0 | 0 | 1,812,000 |
| Total, reimbursable obligations | 0 | 0 | 1,812,000 |
| Total, obligations | 20,487,000 | 13,640,000 | 13,467,000 |

[1] Includes supplemental now requested for October 1982 pay raise.

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

## POLICY AND MANAGEMENT—OBJECT CLASSIFICATION

| 89-0216-0-1-276 | | 1982 actual | 1983 estimate[1] | 1984 estimate |
|---|---|---|---|---|
| | Direct obligations: | | | |
| | Personnel compensation: | | | |
| 11.1 | Permanent positions | $1,294,000 | $1,078,000 | $1,140,000 |
| 11.3 | Positions other than permanent | 90,000 | 36,000 | 38,000 |
| | Total personnel compensation | 1,384,000 | 1,114,000 | 1,178,000 |
| | Personnel benefits: | | | |
| 12.1 | Civilian | 113,000 | 87,000 | 93,000 |
| 21.0 | Travel and transportation of persons | 24,000 | 29,000 | 29,000 |
| 22.0 | Transportation of things | 758,000 | 0 | 0 |
| 23.0 | Communications, utilities, and other rent | 3,894,000 | 3,204,000 | 3,150,000 |
| 24.0 | Printing and reproduction | 793,000 | 600,000 | 550,000 |
| 25.0 | Other | 0 | 481,000 | 950,000 |
| 26.0 | Supplies and materials | 480,000 | 300,000 | 265,000 |
| 31.0 | Equipment | 207,000 | 500,000 | 450,000 |
| 41.0 | Grants, subsidies, and contributions | 226,000 | 0 | 0 |
| 42.0 | Insurance claims and indemnities | 3,000 | 0 | 0 |
| | Total direct obligations | 7,882,000 | 6,315,000 | 6,665,000 |
| | Total, obligations | 7,882,000 | 6,315,000 | 6,665,000 |

[1] Includes supplemental now requested for October 1982 pay raise.

NOTE.—This object class distribution reflects the allocation of resources presented in the fiscal year 1984 congressional justification. Some estimates may differ from those shown in the budget appendix due to technical adjustments made subsequent to submission of the appendix.

## ENERGY INFORMATION ADMINISTRATION

### PROGRAM AND FINANCING

| | | 1982 actual | 1983 estimate | 1984 estimate |
|---|---|---|---|---|
| | Program by activities: | | | |
| | Direct program: | | | |
| | Collection, production, and analysis | $49,466,000 | $37,394,000 | $32,247,000 |
| | Program services | 20,487,000 | 13,638,000 | 12,179,000 |
| | Policy and management | 7,882,000 | 6,314,000 | 6,374,000 |
| | Total direct program | 77,835,000 | 57,346,000 | 50,800,000 |
| | Reimbursable program | | | 6,000,000 |
| 10.00 | Total obligations | 77,835,000 | 57,346,000 | 56,800,000 |
| | Financing: | | | |
| 11.00 | Offsetting collections from Federal funds | | | -6,000,000 |
| 25.00 | Unobligated balance lapsing | 1,084,000 | | |
| 39.00 | Budget authority | 78,919,000 | 57,346,000 | 50,800,000 |
| | Budget authority: | | | |
| 40.00 | Appropriation | 78,919,000 | 56,400,000 | 50,800,000 |
| 44.20 | Supplemental for civilian pay raise | | 946,000 | |
| | Relation of obligations to outlays: | | | |
| 71.00 | Obligations incurred, net | 77,835,000 | 57,346,000 | 50,800 |
| 72.40 | Obligated balance, start of year | 40,397,000 | 41,434,000 | 38,394,000 |

## ENERGY INFORMATION ADMINISTRATION—Continued

### PROGRAM AND FINANCING—Continued

| | 1982 actual | 1983 estimate | 1984 estimate |
|---|---|---|---|
| 74.40 Obligated balance, end of year | -$41,434,000 | -$38,394,000 | -$37,994,000 |
| 77.00 Adjustments in expired accounts | -1,628,000 | | |
| 90.00 Outlays, excluding pay raise supplementals | 75,170,000 | 59,440,000 | 51,200,000 |
| 91.20 Outlays from civilian pay raise supplemental | | 946,000 | |

### PERSONNEL SUMMARY

| | 1982 actual | 1983 estimate | 1984 estimate |
|---|---|---|---|
| Total number of full-time permanent positions | 483 | 450 | 457 |
| Total compensable work-years: | | | |
| Full-time equivalent employment | 543 | 480 | 480 |
| Full-time equivalent of overtime and holiday hours | 4 | 3.5 | 3.5 |
| Average ES salary | $53,982 | $61,838 | $62,500 |
| Average GS grade | 11.46 | 11.22 | 11.21 |
| Average GS salary | $34,000 | $35,000 | $36,000 |

## ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you very much for your testimony this afternoon.

The committee will have further questions which it will submit to you in writing for response for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### Quality of Energy Information Administration Information

Question: In specific terms, what will the practical effects of this deferral be on the quality of information and data?

Answer: The following quality maintenance activities that are being deferred in FY 1983 and FY 1984 would have the following effect if they are not conducted during FY 1984.

The frames for many major surveys need constant updating. This is particularly true in all the petroleum frames, the coal frame, and the alternate fuels frame. In most of these areas births and deaths are extremely high. Frame updates are accomplished by analyses to discover new or departing frame members, mailouts to these respondents, follow-ups to ensure proper reporting, and additions to the computer data base. Without this updating the Energy Information Administration (EIA) may be sampling an unrepresentative sector of the market.

In some cases EIA needs to develop the frame. This is especially true in the Non-residential Buildings Energy Consumption Survey. Previous surveys utilized existing contractor frames and patched other statistical techniques and available information. EIA had planned to build a sampling frame beginning early in FY 1984, with a new data collection beginning in FY 1986.

Finally, validation studies identified a number of deficiencies in natural gas liquids, calculation of uranium demand, documentation and changes to coal systems, and verification of electric power data. Without these corrections to these systems, data that is produced may be inaccurate.

### Consumption Surveys

Question: If we do not fund consumption data surveys in fiscal year 1984, what assurance can you provide that the Department will request funds in the future?

Answer: EIA plans to continue surveys in the consumption area but at a reduced frequency. Neither EIA nor the Department can make assurances about future budget levels, given various levels of review. Overall Department of Energy and government-wide prerogatives have to be taken into consideration.

### Coal Strike Monitoring System

Question: You are proposing to establish a Coal Strike Monitoring System in fiscal year 1984 in order to provide timely information to decision makers in the event of a coal strike with the expiration of the United Mine Workers contract in October 1984. Exactly how will this system be organized? Are you basing the organization of this system on past experience during coal strikes? How much will the development of this system cost?

Answer: EIA's Coal Strike Monitoring System was developed and successfully implemented during the last strike of the United Mine Workers of America in 1981. It exists in a standby capacity right now, and I do not anticipate that any further development costs would be required. It is based on a computer-assisted telephone interviewing technique. It monitors receipts, stock and consumption of coal at electric utilities, industrial coke plants and other consumers of coal. It also monitors openings and closings of mines during the strike with information received from the Mine Health and Safety Administration. We were very pleased with the success with which we implemented the program in 1981. It provided information with a very short time lag on the stocks of coal available to electric utilities in the U.S., who are the principal users of coal. We have the system ready and waiting to implement should there be a strike when the United Mine Workers' contract expires in 1984.

## Contract Work

Question: Last year you testified that you anticipated spending some $33.3 million -- or 61 percent -- of the fiscal year 1983 budget for contract work. This level is down slightly from fiscal years 1981 and 1982, when about 63 percent of the EIA budget went to contractors. How much of the fiscal year 1984 request will go to contractors? For the record, please provide a list of all contractors for fiscal years 1983 and 1984, and include a brief description of the work performed and the amount paid to each.

Answer: Of the $50.8 million that EIA has requested for FY 1984, it is anticipated that $25.3 million, or approximately 50 percent, will be devoted to contract work. This is exclusive of work that EIA will perform for FERC on a reimbursable basis, virtually all of which is performed under contract.

The following is a list of EIA contracts for 1982 and 1983 and a short description of the work performed by each. Because of the competitive procurement system that operates throughout the Federal Government, it is not possible to anticipate which contractors will receive awards in FY 1984. However, we expect the description of the type of work to be the same as for FY 1983, and a general 1984 contract list is included here.

| Geographical Location City and State | Contractor Name and Number | Account 1/ | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Annandale, VA | JWK Int'l - 10775 | O&G<br>CNEAF | $ 342,319 | $ 367,487 | Oil and Gas and other information design, Development, and Implementation |
| Annandale, VA | JWK Int'l - 11854 | O&G, OSS<br>CNEAF,<br>EMEU | 776,885 | 742,959 | Develop automated energy data systems in support of EIA objectives, which involve systems design, systems specifications, computer programming, development, testing, implementation, etc., *until they are accepted and* operated by EIA. |
| Annapolis, MD | KSA - 10643 | O&G | 52,258 | 0 | Develop documentation for each of the modeling systems to provide continuity to facilitate public understanding and access to the models. |
| Bethesda, MD | Maxima - 11088 | O&G, OSS,<br>CNEAF | 657,305 | 0 | Includes bibliographic support services and technical assistance and training. |
| Washington, D.C. | OSI - 19615 | NEICA,<br>OSS | 500,000 | 745,253 | Provide continued total support to the National Energy Information Center |
| Riverdale, MD | SASC - 11813 | CNEAF | 1,208,169 | 1,305,125 | Review and analyze CNEAF data collection and internal management systems and operating procedures. Review includes data production and presentation systems. |

| Geographical Location City and State | Contractor Name and Number | Account 1/ | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Washington, D.C. | DRI - 19609 | O&G | $ 19,758 | $ 0 | Provides support services to the SPRO, EIA, etc., in use and maintenance of the extended charting option package. |
| Annandale, VA | Cexec, Inc.<br>10591 | EMEU,<br>O&G | 451,532 | 0 | Support for STIFS for the design, development, maintenance, training, support and provision of access as directed in individual task orders. |
| Washington, D.C. | J. A. Reyes<br>11816 | EMEU,<br>CNEAF | 1,777,489 | 500,000 | Support Services--the contractor will manage and operate selected data collection and management systems and procedures which will include conducting surveys; analyzing energy information and related data collection, processing, and dissemination systems and procedures; and producing reports. |
| Silver Spring, MD | ORKAND<br>11812 | O&G | 2,496,862 | 2,792,539 | Support Services--the contractor will analyze and review data collection systems and procedures, and data production and presentation systems. The contractor will design, develop, document, implement, operate, and maintain systems for the collection, verification, and reduction of energy data. |
| Silver Spring, MD | ORKAND<br>11855 | O&G<br>EMEU | 789,895 | 761,228 | Support Services--The contractor to develop (and/or major modifications) of automated energy data systems which will involve the preparation of functional and data requirements analysis, systems |

| Geographical Location City and State | Contractor Name and Number | Account 1/ | Actual FY 82 Funding $ | Proposed FY 83 Funding $ | Type of Work |
|---|---|---|---|---|---|
| | | | | | design, systems specifications, computer program specifications, computer programming, development, testing, implementation, training/demonstration, maintenance, operation of systems until they are acceptable and operable. |
| McLean, VA | Sterling<br>11815 | O&G<br>CNEAF | 867,058 | 1,950,000 | Support Services--The contractor will analyze and review data collection systems and procedures, and data production and presentation systems. The contractor will design, develop, document, implement, operate and maintain systems for the collection, verification, and reduction of energy data. |
| Washington, D.C. | National Academy of Sciences<br>19607 | OSS | 350,000 | 0 | NAS will perform a two-year study of the needs of EIA data pertaining to natural gas. |
| Fairfax, VA | Vanguard<br>10990 | O&G<br>EMEU | 2,096,174 | 2,300,636 | Support Services--The contractor will analyze and review data collection systems and procedures, and data production and presentation systems. The contractor will design, develop, document, implement, operate and maintain systems for the collection, verification, and reduction of energy data. |

| Geographical Location City and State | Contractor Name and Number | Account | 1/ Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Norman, OK | University of Oklahoma 10770 | O&G | 2,170,000 | 60,000 | The contractor tasks shall be the design, implementation, development, (or modification of existing subsystems as appropriate) and operation of a system for the receipt and reduction of data collected on Form EIA-23 and Form EIA-64A. |
| Stanford, CA | Stanford Univ. 10667 | EMEU | $ 154,869 | $ 35,000 | Grant - to prepare necessary information for the Energy Modeling Forum. |
| Arlington, VA | Labat-Anderson 11360 | EMEU | 176,374 | 0 | Support Services--to provide hand processing and editing support for publications. |
| Arlington, VA | EEA - 11972 | EMEU, NEIC | 38,000 | 0 | Support Services--Provide analytical support and reports on special topics relating to end-uses of various fuels in the residential, commercial, industrial and transportation sectors. |
| Princeton, NJ | Mathtech, Inc 11973 | EMEU | 209,393 | 0 | Support Services--Provide analytical support and reports on special topics. |
| McLean, VA | Fiorello, Shaw 11975 | EMEU | 119,941 | 0 | Support Services--provide software support. |
| Landover, MD | SMC - 11976 | OSS | 105,573 | 0 | Support Services--To review documentation reports to evaluate the degree the appropriate documentation requirements are met. |

| Geographical Location City and State | Contractor Name and Number | Account 1/ | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Washington, D.C. | Watson, Rice & Co. 11896 | EMEU | 80,000 | 87,500 | The contractor will review the accuracy (and subsequent correction by amendment) of data filed by energy producing companies on the Financial Reporting System Form EI-28 and provide accounting and financial reporting problem research in connection with complementary data system source data included in the Financial Reporting System energy data base. |
| Bethesda, MD | CDSI - 11857 | O&G, EMEU CNEAF | $3,147,874 | $2,220,344 | Support Services--The contractor will develop (and/or make major modifications) of automated energy data systems which will involve the preparation of functional and data requirements analysis, feasibility study document, cost benefit analysis impact analysis, system design and specifications computer programming, development, testing, implementation, training/demonstration, maintenance, operation of systems until they are accepted and operated and documentation of the EIA automated data systems. |
| Silver Spring, MD | AMS - 10231 | O&G, EMEU CNEAF, OSS | 4,826,420 | 1,630,512 | Support Services--The contractor will conduct field data collection and verification for the EIA. For ongoing survey systems, the contractor will perform data quality control activities, involving the investigation and resolution of specific reporting and processing problems; and design and conduct field data verification studies intended to measure and enhance the quality of reported data. |

| Geographical Location City and State | Contractor Name and Number | Account 1/ | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Argonne, IL | Brookhaven Nat. Lab. | EMEU, O&G<br>CNEAF | 620,000 | 1,000,000 | Improvement of forecasting capability of the mid-term forecasting system. |
| Oak Ridge, TN | Oak Ridge Operations | EIA | 874,333 | 1,000,000 | Computer and editorial support. |
| Richland, WA | Pacific Northwest Lab. | EMEU | 2,500 | 0 | Regional Analysis Program. |
| Oak Ridge, TN | Oak Ridge Nat. Lab | EIA | 9,728,800 | 0 | The contractor provides analytic and technical support focused at: data collection, data quality assessment, data management and data dissemination; and support to: data utilization, data analysis, issue evaluation and forecasting. Support also includes one time development efforts, analysis and interpretation and testing and evaluation efforts. |

1/ O&G = Oil and Gas
EMEU = Energy Markets and End Use
NEIC = National Energy Information Center
OSS = Office of Statistical Standards
CNEAF = Coal, Nuclear, Electric, and Alternate Fuels
NEICA = National Energy Information Center Affiliate

| Geographical Location City and State | Contractor Name and Number | 1/ Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Rockville, MD | Alanthus 82EI19063 | ADPSS | $384,272 | $ 0 | Terminal equipment. |
| Gaithersburg, MD | Anderson Jacobson 82EI19604 | ADPSS | 7,903 | 0 | Terminal equipment. |
| Houston, TX | Bonnor & Moore 82EI19039<br>82EI19125 | ADPSS | 11,214 | 11,952 | Special purpose computer software. |
| Arlington, VA | Boole & Babbage 82EI19040 | ADPSS | 2,004 | 0 | Special purpose computer software. |
| Arlington, VA | CACI, Inc. 82EI19041<br>82EI19127 | ADPSS | 12,400 | 2,940 | Special purpose computer software. |
| Cambridge, MA | Cambridge Computer Associates<br>82EI19042, 83EI19128, 83EI19168 | ADPSS | 12,940 | 12,840 | Special purpose computer software. |
| Los Altos Hills, CA | Cambridge Systems Group<br>82EI19043, 83EI19129 | ADPSS | 2,100 | 2,340 | Special purpose computer software. |
| Phoenix, AZ | Capex 82EI19044, 83EI19130 | ADPSS | 4,160 | 3,840 | Special purpose computer software. |
| Washington, D.C. | Control Data, Corp. 82EI19097 | ADPSS | 25,000 | 0 | Modelling and forecasting services. |
| Washington, D.C. | U.S. Bureau of Census 82EI19079 | ADPSS | 37,000 | 15,000 | Micrographics services. |
| Lanham, MD | Columbia Great Lakes 82EI19111 | ADPSS | 635 | 0 | Terminal printer ribbons. |
| Vienna, VA | Computer Link 82EI19079, 83EI19152 | ADPSS | 17,407 | 2,520 | Magnetic tape cleaner. |
| Birmingham, MI | Compuware, Corp. 82EI19116 | ADPSS | 8,455 | 0 | Special purpose computer software. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Gaithersburg, MD | Continental Peripherals 82EI19066 | ADPSS | 32,060 | 0 | Terminal equipment. |
| Lanham, MD | Courier Terminal Systems 82EI19067, 83EI19155 | ADPSS | 96,147 | 32,287 | Terminal equipment. |
| Lanham, MD | Data Access Systems 82EI19068 | ADPSS | 75,092 | 0 | Terminal equipment. |
| Washington, D.C. | Data Resources, Inc. 82EI19088 83EI19159 | ADPSS | 490,000 | 450,800 | Modelling and forecasting services. |
| Bellevue, VA | Dell Jackson and Assoc. 82EI1980 | ADPSS | 159,306 | 0 | ADP supplies. |
| Falls Church, VA | Dest, Corp. 83EI19171 | ADPSS | 0 | 25,018 | Optical reader equipment. |
| Bethesda, MD | Electronic Data Systems 80EI10234 | ADPSS | 2,750,000 | 2,788,000 | ADP operations & maintenance. |
| Bethesda, MD | Falcon Systems 83EI19170 | ADPSS | 0 | 32,233 | Terminal equipment. |
| Alexandria, VA | Federal Sales and Service 82EI19114 | ADPSS | 1,348 | 0 | Terminal printer ribbons. |
| Washington, D.C. | Four Phase Systems 82EI19023, 82EI19070 | ADPSS | 1,138,405 | 162,342 | Terminal equipment. |
| Waynes Borough, VA | General Electric, Corp. 82EI19108 | ADPSS | 260 | 0 | Terminal printer ribbons. |
| Washington, D.C. | General Services Administration 83EI19173 | ADPSS | 0 | 3,260 | One-time payment for card punch equipment. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Chicago, IL | Guide International 82EI19046, 83EI19131 | ADPSS | 200 | 250 | Guide membership. |
| Washington, D.C. | Harris Data Communications 82EI19071, 83EI19153 | ADPSS | 192,570 | 32,392 | Remote job entry equipment. |
| Denville, N.J. | Haverly Systems 82EI19047, 83EI19132 | ADPSS | 22,720 | 933 | Special purpose computer software. |
| Rockville, MD | Hewlett Packard 82EI19104 | ADPSS | 1,600 | 0 | Terminal equipment. |
| Bethesda, MD | IBM, Corp. 82EI19094 | ADPSS | 12,384 | 0 | Print trains. |
| Bethesda, MD | IBM, Corp. 83EI19167 | ADPSS | 0 | 7,551 | Displaywriter software. |
| Bethesda, MD | IBM, Corp. 82EI19100 | ADPSS | 373,189 | 0 | High speed printer. |
| Bethesda, MD | IBM, Corp. 82EI19091, 83EI19126 | ADPSS | 1,014,523 | 873,312 | ADP peripheral equipment, system software and maintenance. |
| Bethesda, MD | IBM, Corp. 81EI11882 | ADPSS | 463,664 | 463,664 | Alternate purchase plan for ADP peripheral equipment. |
| Bethesda, MD | IBM, Corp. 82EI19085 | ADPSS | 2,138 | 0 | IBM punch cards. |
| Bethesda, MD | IBM, Corp. 82EI19162 | ADPSS | 0 | 39,120 | Terminal equipment and terminal software. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Bethesda, MD | IBM, Corp. 82EI19172 | ADPSS | 0 | 6,712 | Terminal software. |
| Bethesda, MD | IBM, Corp. 81EI11009 | ADPSS | 1,653,479 | 1,629,228 | Alternate purchase plan for ADP central processing units. |
| Houston, TX | Information, Mathematical, and Statistical Libraries 82EI19096, 83EI19137 | ADPSS | 2,300 | 1,056 | Special purpose computer software. |
| Chevy Chase, MD | Information Systems and Network 81EI11872 | ADPSS | 200,000 | 263,000 | Risk assessment and ADP security support. |
| Falls Church, VA | Infodata Systems, Inc. | ADPSS | 38,000 | 39,720 | Special purpose computer software. |
| Clifton, N.J. | Innovation Data Processing 82EI19049, 83EI19134 | ADPSS | 925 | 900 | Special purpose computer software. |
| San Diego, CA | Integrated Software Systems 82EI19051, 83EI19135, 83EI19166 | ADPSS | 11,204 | 22,364 | Special purpose computer software. |
| Silver Spring, MD | Intel 82EI19050, 83EI19136 | ADPSS | 11,204 | 12,108 | Special purpose computer software. |
| Washington, D.C. | Interactive Data Corp. 82EI19087, 83EI19157 | ADPSS | 145,000 | 150,000 | Modelling and forecasting services. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Falls Church, VA | International Power Machine 82EI19118 | ADPSS | 9,050 | 33,000 | Uninterruptable power system. |
| Arlington, VA | Ketron, Inc. 82EI19052, 83EI19138 | ADPSS | 5,792 | 5,844 | Special purpose computer software. |
| Cambridge, MA | Massachusetts Institute of Technology 82EI19103, 83EI19140 | ADPSS | 1,100 | 1,800 | Special purpose computer software. |
| Bethesda, MD | Mediamatics 82EI19045, 83EI19139 | ADPSS | 51,759 | 3,996 | Special purpose computer software. |
| Alanta, GA | National Computer, Ind. 82EI19101, 83EI19141 | ADPSS | 6,375 | 350 | Special purpose computer software. |
| Rockville, MD | NCR-Comten 82EI19065, 82EI11876 | ADPSS | 379,629 | 298,011 | Data communication control equipment. |
| Bethesda, MD | New Technologies, Inc. 82EI19021 | ADPSS | 1,236,368 | 904,000 | Terminal equipment and terminal maintanance. |
| McLean, VA | Nothern Telecom, Inc. 82EI19073, 83EI19154 | ADPSS | 25,376 | 17,910 | Remote job entry equipment. |
| Washington, D.C. | Office Products International 82EI19113 | ADPSS | 6,124 | 0 | Terminal printer ribbons. |
| San Francisco, CA | On-Line Business System 82EI19110 | ADPSS | 46,000 | 0 | Special purpose computer software. |
| Pittsburgh, PA | On-Line Systems 82EI19061 | ADPSS | 3,780 | 0 | Special purpose computer software. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Washington, D.C. | One America 81EI11865 | ADPSS | 97,682 | 0 | ADP requirements study. |
| Rockville, MD | Optimum Systems Division 81EI11075 | ADPSS | 54,900 | 42,000 | Special purpose computer software. |
| McLean, VA | Pansophic Systems 82EI19054, 83EI19143 | ADPSS | 4,256 | 4,140 | Special purpose computer software. |
| Vienna, VA | Paragram Sales 82EI19109 | ADPSS | 3,813 | 0 | Terminal printer ribbons. |
| Washington, D.C. | RAVEN Systems & Research 80EI11071, 82EI19099 | ADPSS | 522,610 | 175,000 | ADP support services. |
| Springfield, VA | Renex Corporation 82EI19117, 83EI19165 | ADPSS | 28,404 | 2,400 | Terminal control equipment. |
| Washington, D.C. | Sam Harris Associates | ADPSS | 118,641 | 0 | ADP supplies. |
| Carey, N.C. | SAS Institute 82EI19059, 83EI19144 | ADPSS | 4,150 | 5,000 | Special purpose computer software. |
| Rosemont, IL | Schrager, Klemens & Krueger 82EI19055, 83EI19145 | ADPSS | 3,240 | 3,600 | Special purpose computer software. |
| Reston, VA | Software AG 82EI19056, 83EI19146 | ADPSS | 11,108 | 15,996 | Special purpose computer software. |
| Clinton, MD | Softworks, Inc. 82EI19057, 83EI19147 | ADPSS | 365 | 465 | Special purpose computer software. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Chicago, IL | Speakeasy Computing Co. 82EI19058, 83EI19148 | ADPSS | 6,300 | 5,000 | Special purpose computer software. |
| Chicago, IL | SPSS, Inc. 82EI19060, 83EI19149 | ADPSS | 3,750 | 3,500 | Special purpose computer software. |
| New York, N.Y. | Standard & Poors 82EI19086, 83EI19161 | ADPSS | 43,500 | 43,500 | Modelling and forecasting support. |
| Silver Spring, MD | Storage Technology, Corp. 81EI11875 | ADPSS | 272,330 | 277,236 | Magnetic tape and disk drives. |
| San Francisco, CA | Steiner Corporation 82EI19074, 83EI19163 | ADPSS | 16,156 | 2,865 | Terminal equipment. |
| Philadelphia, PA | Sun Information Services 83EI19169 | ADPSS | 0 | 87,444 | Disaster recovery backup site. |
| Rockville, MD | Tektronex, Corp. 82EI19075 | ADPSS | 59,129 | 0 | Terminal equipment. |
| Washington, D.C. | Terminals Unlimited 82EI19076, 83EI19156 | ADPSS | 6,400 | 6,015 | Terminal equipment. |
| Englewood, CO | The Office Store 82EI19112 | ADPSS | 940 | 0 | Terminal printer ribbons. |

| Geographical Location City and State | Contractor Name and Number | Account | Actual FY 82 Funding | Proposed FY 83 Funding | Type of Work |
|---|---|---|---|---|---|
| Washington, D.C. | Uni-Coll Corporation 82EI19089, 83EI19158 | ADPSS | 113,000 | 150,000 | Modelling and forecasting support. |
| Vienna, VA | University Computing Co. 82EI19062, 83EI19150 | ADPSS | 1,896 | 2,184 | Special purpose computer software. |
| Kansas City, MO | United Information Services 82EI19062 | ADPSS | 1,896 | 0 | Special purpose computer software. |
| Baltimore, MD | Westinghouse Corp. 82EI19083, 83EI19151 | ADPSS | 7,220 | 10,000 | Electric generator maintenance. |

1/ ADPSS - ADP Services Staff

1984 Contracts

| | Estimated Amount (dollars in thousands) |
|---|---|
| Data collections and short-term analysis and forecasts for oil and natural gas | $10,825 |
| Data collection and short-term analysis and forecasting for coal, nuclear, electric, and alternate fuels | 4,030 |
| Data collection and short-term analysis and forecasting for integrated marketing and end use information | 1,230 |
| Computer equipment, software, facilities management, and telecommunications | 8,225 |
| Inquiry response, publication, information dissemination, and related activities | 750 |
| Quality assessment review of data and models and burden control activities | 248 |
| Contract management information | 12 |
| Total, 1984 Contracts | $25,320 |

It should be noted that contracts to support FERC, estimated to cost $6 million, are not included in this list because they are being requested in the FERC budget.

Data Communications System

Question: EIA operates and maintains a major data processing complex which is accessible to users through a data communications network operating seven days a week consisting of many computer terminals and remote job entry stations. How many such stations and terminals do you maintain and where are they located? Is it necessary to maintain this system on a seven day per week basis? Is it also on a 24 hour per day basis? Who is permitted access to this system?

Answer: EIA maintains four remote job entry stations. Two are located at FERC headquarters offices, 825 North Capitol Street and 400 First Street, one is located in the Forrestal Building, and one is located at the FERC Fort Worth Field Office. EIA terminals are as follows:

| | |
|---|---|
| Multi-Functional Cluster Terminals | |
| Controllers | 22 |
| CRT Displays | 325 |
| Printers | 54 |
| Stand Alone Terminals | |
| CRT Displays | 192 |
| Printers | 128 |
| Graphics Terminals | |
| CRT Displays | 13 |
| Printers | 11 |
| Plotters | 5 |
| Input Tablet | 1 |
| Portable Terminals | 150 |
| Remote Batch Terminals | 4 |
| Other Terminals | |
| Letter Quality Printers | 9 |
| Displaywriters | 42 |

Most of these are located at DOE headquarters facilities. Several are located at DOE field locations. It is necessary to maintain this system 24 hours a day because of the large data processing workload. Most of the large batch processing jobs and computer system system changing routines are done at night. It is necessary to maintain the system seven days a week because during the weekends backup tapes are made, storage is compressed, new or revised software packages and equipment are installed and tested, and preventative maintenance is conducted in addition to running large batch jobs.

DOE employees, employees of DOE contractors, and other Federal Government employees working on an active interagency agreement are permitted access to the EIA computer system to work on approved projects for which a computer account code has been established.

Question: Are fees paid on a reimbursable basis?

Answer: Fees are generally paid on a reimbursable basis except where EIA's information needs correspond to those of the other organizations.

Question: How much does it cost to operate and maintain your data processing system and how much is done under contract?

Answer: In 1984 it will cost $10,574,000 to operate and maintain EIA's data processing system. This includes the $1,712,000 reimbursements from FERC. Of this amount, $9,937,000 is for contracts.

## Reimbursable Work

Question: Should it matter whether or not work is regular or irregular to perform it on a reimbursable basis? For the record, what other offices have you performed work for during fiscal years 1981, 1982, and 1983 either on a regular or irregular basis, and what was the cost associated with this work.

Answer: EIA can often plan to provide information services to other parts of the Department if they are regular, recurring, not requiring excessive resources, and known in advance. However, other DOE offices sometimes have requirements that arise as developments take place in the energy arena, and EIA, being resource constrained, cannot always accommodate these requirements within its current year operating plan, necessitating a reimbursement. Below is a listing of reimbursements received by EIA in 1981, 1982, and 1983. These reimbursements were for computer hardware, specialized software design, and data collection and processing services.

1981 Transfers and Reimbursements
(dollars in thousands)

| Organization | Amount |
|---|---|
| Office of Secretary of Energy | $ 33 |
| Hearings and Appeals | 146 |
| Economic Regulatory Administration | 1,989 |
| Conservation and Solar | 139 |
| Resource Applications | 99 |
| Strategic Petroleum Reserve Office | 167 |
| Environment | 167 |
| Fossil Energy | 41 |
| Policy and Evaluation | 535 |
| Management and Administration, Controller, and International | 67 |
| Federal Energy Regulatory Commission | 1,265 |
| Total, 1981 | $4,648 |

1982 Transfers and Reimbursements
(dollars in thousands)

| Organization | Amount |
|---|---|
| Emergency Preparedness | 1,026 |
| International Affairs | 28 |
| Strategic Petroleum Reserve Office | 988 |
| Office of Minority and Economic Impact | 28 |
| Department of Interior | 30 |
| Conservation and Renewable Energy | 436 |
| Economic Regulatory Administration | 712 |
| Social Security | 128 |
| Federal Energy Regulatory Commission | 300 |
| Total, 1982 | 3,676 |

1983 Transfers and Reimbursements Through February 28, 1983
(dollars in thousands)

| Organization | Amount |
|---|---|
| Strategic Petroleum Reserve Office | 717 |
| Policy, Planning and Analysis | 10 |
| Conservation and Renewal Energy | 3 |
| Total, 1983 reimbursements to date | 730 |

## SUBCOMMITTEE RECESS

Senator McClure. The subcommittee will stand in recess until 2 p.m., Tuesday, March 8, when we will review the fiscal year 1984 budget request of the Holocaust Memorial Council and the National Endowment for the Arts.

Thank you very much.

Mr. Evered. Thank you, Mr. Chairman.

[Whereupon, at 3:17 p.m., Friday, March 4, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, March 8.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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TUESDAY, MARCH 8, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:15 p.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Burdick.

## HOLOCAUST MEMORIAL COUNCIL

### STATEMENT OF SEYMOUR SIEGEL, EXECUTIVE DIRECTOR

ACCOMPANIED BY:

MICAH H. NAFTALIN, SENIOR DEPUTY DIRECTOR
STEPHEN E. LYNCH, SPECIAL ASSISTANT TO THE REGIONAL DIRECTOR, NATIONAL PARK SERVICE, NATIONAL CAPITAL REGION. NATIONAL ENDOWMENT FOR THE ARTS

#### INTRODUCTION OF ASSOCIATES

Senator McCLURE. The subcommittee will come to order. This is the time scheduled to review the fiscal year 1984 budget estimates for the U.S. Holocaust Memorial Council and for the National Endowment for the Arts.

We will begin with the Council. Mr. Siegel, your opening statement has been placed in the record. If you would please introduce those with you at the witness table, we can then proceed directly to the questions.

Mr. SIEGEL. Thank you very much, Senator McClure. It is a pleasure and honor and privilege to be here this afternoon and have the cooperation of your splendid staff.

Members of the staff of the Council are present. To my right is Mr. Micah Naftalin, who is the Senior Deputy Director for the Council; and to my left Mr. Stephen Lynch, who is our Budget Officer, in the Department of the Interior, the Park Service Division.

These two gentlemen will be willing, as I am, of course, to answer questions that emerge from the statement which we have submitted for the record.

Senator McCLURE. Thank you very much, Mr. Siegel.

[The statement follows:]

## STATEMENT OF SEYMOUR SIEGEL

I am pleased to appear today on behalf of the United States Holocaust Memorial Council's FY 1984 Appropriations request, which can be found at Page I-V140 in the Appendix to the President's Budget for 1984, and supplemented by text and tables submitted to the Subcommittee by the Council.

This spring will mark the 40th anniversary of the Warsaw Ghetto Uprising -- one of the many, yet all too few, examples of heroism and martyrdom in the Holocaust period. In the Warsaw Ghetto, thousands of unarmed Jews held out against the Nazi war machine longer than did the entire armies of some European nations. Under P.L. 96-388, the Council will encourage Days of Remembrance Commemorative ceremonies in 50 state capitals, as well as many other cities, and conduct the national ceremony in Washington, D.C., during the week of Days of Remembrance, April 10-17. We will welcome to our Washington ceremony more than 10,000 Jewish survivors of the Holocaust who will convene here, as the American Gathering of Jewish Holocaust Survivors, not to petition their government, but to give thanks to the United States for liberating the death camps and offering sanctuary and citizenship to several hundred thousand of their numbers.

Fifty years ago this January, Adolf Hitler came to power with a pseudo-messianic vision of the one-thousand-year Reich, the total domination of western civilization, and a so-called pure-blooded, aryan race to be achieved through genocidal policies and practices. The Third Reich was destroyed within a dozen years, primarily because America entered the war. Even so, Hitler accomplished the most horrible of his primary goals, slaughtering of two-thirds of the Jews of occupied Europe, six million in all. As our Chairman, Elie Wiesel, wrote in his report of the President's Commission on the Holocaust, "not every victim of the Holocaust was a Jew, but every Jew was a victim."

In the several thousand years of recorded history only a handful of events have been so great or so evil as to change civilization for all time to follow. The

Holocaust was such an event. It well may have been, if you will, the Flood of our millennium. No human response to such a catastrophe can be very adequate. Yet the passage of four decades since this awesome tragedy allows us now to begin to institutionalize remembrance of those events and the lessons from them. Thus it was in wisdom that Congress unanimously passed P.L. 96-388. We must never forget, and today the urgency of our task grows with ever-quickening pace, especially for the only living witnesses of the event -- the survivors and the members of the liberating armies, the average age of whom is now in the sixties.

Occasionally we are asked, why build a living museum memorial to the Holocaust in the Nation's Capital, adjacent to the Mall which is consecrated to American values? The answers, which underlie the Congressional mandate, are many. First, perhaps, Hitler declared war on America's values and ultimately was stopped by our determination to preserve western civilization at an enormous cost in American lives and materials. Second, America is the home of the most allied liberators in the free world and the most Jewish survivors other than the State of Israel. Third, such lessons as the moral, economic and national security costs of anti-Semitism, racial discord and prejduice, appeasement of oppressors, and military unpreparedness still remain to be learned. And all of these lessons are ever central to the problems of governing the leading democracy of the world in a period that presents greater perils to human survival than even Hitler threatened in the pre-nuclear age. As distinguished from genocidal acts on the one hand, and World War II on the other, the Holocaust represented a governmental policy to purge from the human society an entire "race," i.e., all human beings with Jewish blood in their veins, regardless of their economic, political, religious or military views or circumstances. But the consequences for all free societies, and the lessons to be learned by participants and by-standers alike, can and must be generalized. In this respect it is especially fitting that a living educational museum/memorial to the Holocaust be established in the Capital of the free world.

To plan and implement this endeavor is an unprecedented task, calling forth the best efforts of skilled professionals and consultants working as a uniquely structured interdisciplinary team. In the first two years the Council, aided by a very small staff, established a pattern for the annual Days of Remembrance ceremonies, convened at the State Department an historic, International Liberators Conference, and worked with a number of historians and educators to frame the major issues and themes for the museum exhibits.

As this, the third, year began, the Council expanded its executive leadership and the tempo of professional planning increased dramatically. A comprehensive and detailed outline for museum planning has been adopted by the Council and a dedicated museum planning team is at work. Planning for the educational foundation and archival activities that will be integral to this living museum plan is now being sketched out. Finally, this spring will mark the inauguration of a national development campaign to raise the private funds necessary to design and build the museum memorial.

Fiscal Year 1984 will be a critical year because we will be making the transition from preliminary planning to final planning and the beginning of implementation. If, for example, we cannot during the coming year flesh out in minute detail the components of a full-scale information retrieval center, then our Museum will have no computer services when it is built. Similarly, if, by the end of 1984, we have not taken the fundamental steps towards a complete museum design for interior and exterior spaces alike, then it will be impossible even to begin to solicit and review bids for construction.

The move from preliminary planning to final planning and implementation will require three categories of major increases in funding: new full-time professional and support staff; a considerably expanded use of professional consultants; and substantially increased travel for the establishment of professional working relationships between the Council staff and related United States and foreign agencies and institutions.

It must be understood that Fiscal Year 1984 will find the United States Holocaust Memorial Council aggressively engaged in its major fundraising drive for approximately $75,000,000 to construct and endow the on-going life of a U.S. Holocaust Museum and Education Foundation. Thus, the Federal appropriations for the Council's budget in the coming year represent essential seed money for what will be a national undertaking of unparalleled proportions.

We are happy to report that the Council and its staff already have drawn up detailed plans and timetables for all activities up to and including the construction, staffing and opening of the U.S. Holocaust Memorial Museum. We have every confidence that this project will unite the Federal government and broad sectors of the American people in what is one of the most worthy undertakings of our generation.

At this point, Mr. Chairman, I will be happy to respond to questions.

## BUDGET REQUEST

Senator McClure. The fiscal year 1984 budget request totals $1,953,000, an increase of $1,133,000 over fiscal year 1983 appropriations to date. Also pending is a pay supplemental in the amount of $16,000. This budget represents a 138-percent increase over the fiscal year 1983 level.

For fiscal year 1983, $75,000 was provided to plan and carry out an architectural competition for the design of the museum. A total of $300,000 is requested in 1984 for memorial museum development, which includes initiation of architectural design.

What is being done with the $75,000 provided for the current year, and how does that differ from the fiscal year 1984 requirements?

Mr. Siegel. Senator, just a word of introduction.

This 1984 fiscal year will be the crucial year in the development of the museum. Until now, we were sort of beginning. The train was beginning to move—the engine was beginning to build up steam.

Fortunately, we are now at a level where we are taking off on a real and a very accelerated kind of project which we are told by our colleagues in the museum field is almost unprecedented. We want to create here in the Federal Capital a world class museum which will be a credit to the American people. And of course, this will be done basically by donated funds, and we are just starting a very intensive campaign to raise the necessary funds.

And therefore, we are doing an unprecedented thing this year, as you mentioned, in trying to operate as much to a bare bones budget as everybody else, but recognizing that because of the crucial status of this next year's planning and program we have to come to you and to your colleagues for an increase, which is obviously not very frequently done here during this period of time.

Senator McClure. Not this year.

Mr. Siegel. Yes.

Senator McClure. It is frequently done in other years.

Mr. Siegel. Oh, yes. Well, it is my fate to be the Director this year.

And we have already begun this very costly and important work of——

Senator McClure. Well, what I am really trying to focus on for a moment, if I may, is that the $75,000 provided for the current year appears to be for precisely the same thing for which you are now requesting $300,000. I was just wondering, if that is the case, what is being done with the $75,000?

Mr. Siegel. That is what I was getting up to. It takes me a little time to build up steam, as I said before. What we are doing now is having an architectural firm, a very distinguished architectural firm, survey the buildings which were transferred to us by the General Services Administration.

They were built in 1871 and were used for various purposes. In order for us to continue the planning correctly and efficiently we must have the architect tell us what is the state of the building, what can be done with it, and what has to be done to reconstruct it so that it will be able to house the kind of museum that we are envisioning and which we promised the American people we will see to it that it is contructed.

As soon as that phase is—and the $75,000 is being used basically for that purpose—as soon as we get that data, indispensable data, we will then begin seriously planning the architectural form of the proposed museum, and that is what the additional money is for.

In specific response to your question, my associate, Mr. Naftalin, and I concluded, upon joining the Council's staff last September, that a great deal of additional museum planning would be required before it would be possible, with technical integrity, to begin the formal search for an appropriate architectural firm to design the physical requirements of the museum buildings. Accordingly, we applied the $75,000 to beginning the long process of formulating the specific requirements for the museum that must precede the architect selection process. Approximately $42,000 will be expended for expert consultants in support of the museum planning team, and the balance for technical contracts for similar planning support.

In this connection, I allude in my prepared statement to the nature of the Council's planning effort. Last fall, under my oversight and that of a Council committee chaired by our Vice Chairman, Mark Talisman, Mr. Naftalin led a comprehensive staff review and revision of the Council's museum planning activity. The staff consulted broadly with museum planning and building construction experts at the Smithsonian Institution, the National Park Service, the General Services Administration, and other museum specialists in the United States and abroad. At the heart of the revised plan was the emplacement of a professional museum planning team, that began meeting in January, headed jointly by myself and a professional director of museum planning. At its meeting in December the full Council revised and adopted these revised planning procedures. The use of the $75,000 of which you inquire has been consistent with our revised plan and is specifically designed to assure that such use will in no way duplicate expenditures proposed for fiscal year 1984.

Senator McCLURE. Well, you have also indicated that the $300,000, in addition to the initiation of architectural design, is memorial museum development, for exhibit design and development of educational materials.

How do you break down among those categories the amounts that will be expended out of the $300,000?

Mr. SIEGEL. We are now in the process, as our report indicated to you, of intensive planning for the museum, and this kind of planning involves both architectural and educational aspects.

For example, we had an interesting conference on the way in which such material which will be in the museum will be presented to children, and it is a question which didn't occur to anyone before, and it is one that deals with issues of child psychology, education, and so forth. This is only an example of how museum planning is a complex and interrelated kind of activity, which includes education, architecture in its more literal sense, and even a kind of human psychology.

At the moment, the planning team is planning very carefully and very intensively, and I can't exactly give you how many dollars will be in one and how many dollars will be in education, but that——

Senator McCLURE. You have no breakdown as to how the $300,000 will be spent as between those items?

Mr. SIEGEL. As far as I am aware, we don't, but we can submit it to you as soon as we know that.

Senator McCLURE. Well, maybe we would like to know before we give it to you. That is customary up here.

Mr. SIEGEL. I fully appreciate that, and that information will be supplied to you.

Senator McCLURE. I would appreciate it.

Mr. SIEGEL. OK, thank you very much.

[The information follows:]

As shown on the matrix chart provided the committee in advance of the hearing, the $300,000 proposed for museum planning expenditures in fiscal year 1984 are divided among the following categories:

| | |
|---|---|
| Personnel travel | $30,000 |
| Transport of material | 5,000 |
| Printing and reproduction | 25,000 |
| Other services[1] | 200,000 |
| Supplies and materials | 20,000 |
| Equipment | 20,000 |
| Total | 300,000 |

[1] "Other services," which are not defined in the chart, cover contracts for expert professional and creative services in the fields of museum exhibit design, visual analysis, audiovisual techniques, and preliminary architectural services.

### CONSTRUCTION OF THE MUSEUM

Senator McCLURE. The authorization for the Council specifically prohibited the use of Federal funds for construction of the museum.

Mr. SIEGEL. Yes, sir.

Senator McCLURE. Have you interpreted this statute so as to allow expenditure of Federal funds for all activities preceding actual construction, such as planning and design?

Mr. SIEGEL. Yes; that is how we have interpreted that. We will not, as the statute prohibits us from doing, use any moneys, appropriated moneys for, the actual construction of this museum.

Senator McCLURE. I think Mr. Lynch might be able to tell you that in all other accounts the planning and design are included as a part of the construction funding, and you may be unwittingly running afoul of the usual budgetary practices in which the construction and planning and design funds are within the limit of that specific prohibition.

Mr. SIEGEL. Yes; I understand that very well. The ambiguity comes in the notion of planning and design, because actually the way we have been operating and the way we have been advised to operate by our fellow museum planners at the Smithsonian Institution and other places is that there are two distinct phases to the notion of planning and design.

First, you plan the kind of message or story that you want to present and how to present it and how to apportion space in the museum to various themes that are worked out in great detail, and then there is planning and design of the actual building. That is, where will there be steel, where will there be concrete, and so on and so forth.

Now, the second phase, of course, will be done with donated money, not by appropriated money, but the first phase is done—is being carried on and will continue to be carried on, as I said before to you, with greater intensity as the months pass by, and then when we finish that part, then we will use only donated funds.

On reflection, therefore, Mr. Chairman, the precise answer to your question, whether Federal expenditures would be employed for all activities preceding actual construction, should have been "No." What we are using Federal funds for is the design and planning of the museum activity, that is, the overall requirement for the building(s) in terms of exhibits, educational programing, archives, research, and so forth. On the other hand, the infinitely more extensive and expensive specific planning and design of the musuem building—the work to be performed by the architects and engineers yet to be selected—is, as you properly suggested, a part of construction costs and will be supported exclusively from private funds.

Senator McCLURE. Once the museum is completed, do you anticipate the use of Federal funds for furnishings and equipment?

Mr. SIEGEL. No; that will come from donated funds.

Senator McCLURE. According to an article in the Washington Post last week, total construction costs are estimated at between $40 and $50 million.

How much have you raised to date?

Mr. SIEGEL. Well, we will be beginning our intensive campaign in a few weeks. I hope everyone will hear about it at that point, but we have been raising money amongst the people of the Council, amongst the members of the Council and leaders who are helping us plan the campaign, and several million dollars has already been donated—pledged, I should say.

Senator McCLURE. Pledged.

Mr. SIEGEL. Pledged, yes.

Senator McCLURE. Your bank account doesn't show it yet?

Mr. SIEGEL. No; but the people who have pledged it are people with such honor that I am sure that the bank account and the pledges will coincide.

Senator McCLURE. We will note that in the record and send them a copy of the record in case you have any trouble.

Mr. SIEGEL. Yes; thank you very much, Senator, that will be a very great help to us. [Laughter.]

Senator McCLURE. The fundraising goal, according to the newspaper, has been set at $75 million.

Mr. SIEGEL. Yes, sir; $75 to $100 million. Firm cost estimates will not be possible until next year at the earliest.

Senator MCCLURE. Will these additional funds be used for the operation of the museum and for staff support?

Mr. SIEGEL. Well, the museum itself will not only be a building containing exhibits. We envisage it as an educational center as well. As a matter of fact, many people believe that is even more important than the actual bricks and mortar and the exhibits. And the educational center—or learning center, as some of our people call it—will include education in its more literal and conventional sense, in curricular materials for schools at various levels, plus an intensive research foundation which will investigate some of the historical and other problems that are involved in this tragic story of the Holocaust, and, most important, I think, of all, is archival retrieval.

And in that we have had splendid cooperation from such Government agencies as the National Archives, which holds, I think, next to the German Government, the largest amount of archival material about the Holocaust of anybody in the world. And we have to retrieve that, study it, index it, and have renowned scholars investigate them so that the message and the story of these events may be transmitted to the American people.

I might add that this takes on added importance as the years go by because the eye witnesses to the Holocaust are perishing, unfortunately, at about a 10-percent-a-year rate.

And this is equally true, I might add, for the liberators, whom we have paid special attention to. We had a special conference of survivors and members of the Allied armies, including generals, who liberated these camps and whose testimonies are invaluable, both to the American people in general and to the people who are constructing the museum in particular.

So that the discrepancy between the amount estimated—and it is an estimate—for the building per se, and even for the exhibits, and the full amount that we are going to the American people for is to provide excellent educational facilities and materials which will reach, we hope, into every part of the United States.

Senator MCCLURE. Well, you have indicated the general scope of what you hope to do, but I am not sure that I understood from that answer whether or not the difference between the $40 and $50 million construction cost and the $75 million fundraising cost is going to be used for operation and staff support or whether it will be wholly used in these other areas.

Mr. SIEGEL. Well, it will be used mainly for these other areas, especially the creation of the exhibits and the educational center, but, of course, it will also include expert staff.

Senator MCCLURE. Will it include operation expenses for the museum?

Mr. SIEGEL. We hope so, yes, of course.

Senator McClure. $175,000 is requested to begin planning an educational foundation, and you have made reference to that.

Mr. Siegel. Yes, sir.

Senator McClure. The justification states that these funds will be matched by private funds.

Mr. Siegel. Yes.

Senator McClure. What will be the matching ratio?

Mr. Siegel. Well, of course, we hope it will be a high ratio; that is, we hope to get as much money as we can and appeal to the American people to help us in this very vital effort. We are aiming for a very substantial amount of money to be donated to this particular purpose.

Senator McClure. How will the educational foundation work differ from the work to be conducted under museum development, which is to provide museum educational programs? Are they separate programs?

Mr. Siegel. Yes; they are separate programs. Museum education is to use the museum itself as an educational experience and tool, as I mentioned to you before, Senator, how we are hoping to present this material to people of different ages, including children. The educational foundation, which will support the educational center, is to go out into the wider community, support and encourage research and scholars, provide outreach, and the like.

Senator McClure. But that is not really to use the museum?

Mr. Siegel. Well, of course the museum will provide the source and backup for this. It will house it. We will use the archival and documentary materials that will be in the museum, and scholars, some of whom will be resident there. We are looking forward to using, of course, the up-to-date techniques of computers and other devices so that it can be used as a worldwide center for research and understanding of the Holocaust. Now, this is something that we have in our mind. That is where we need the money to plan this in the details that you have requested.

Senator McClure. Would you object to a provision that makes the $175,000 for this purpose, if authorized by the Congress, to be matched by private contributions as a condition of its availability?

Mr. Siegel. It sounds very reasonable. I have to consult the staff and our Council. After all, we are the agents of the Council that has been appointed by the President. And we are legally bound to consult with them on decisions of this import.

And certainly any suggestions by you or your colleagues is of great importance to us.

In general, however, what we had in mind by mentioning matching funds was that in every area of federally funded museum activity, we see the Federal expenditure as seed money to plan the respective components of our enterprise, to be matched approximately tenfold by private donations over the course of our development period. In fiscal year 1984, we need to accomplish the preliminary planning of all activities to be housed in the museum—exhibits, archives, education—so that we can submit our requirements to the future designers and builders of the facility. The detailed planning and execution of exhibits and other museum activities will take place in the "out" years while the museum building is being designed and built.

Senator McCLURE. You may have heard the bells in the background.

Mr. SIEGEL. Yes.

Senator McCLURE. That indicates there's a vote on the floor. And I'll have to go over there to vote, as Senator Burdick has departed to vote.

We'll recess temporarily.

Thank you very much.

Mr. Seigel. Thank you.

[A brief recess was taken.]

Senator McCLURE. The meeting will come to order.

This year's justification makes no mention of the committee on conscience. Has this idea been abandoned?

Mr. SIEGEL. Well, I think it's correct to say it's been put on the back burner, because we are, at this moment, so concerned with creating an appropriate museum memorial, as we mentioned, and the related educational activities, that some of these other goals have not been given, really, the attention they need if they are to be effectuated. Accordingly, no funds are earmarked to support a committee on conscience for either fiscal year 1983 or fiscal year 1984.

Senator McCLURE. The budget request includes a substantial increase in staff from a current level of 12, 4 of whom are detailed from the National Park Service, to 18, 5 of whom are detailees.

Additionally, the Council employs a number of consultants.

Mr. SIEGEL. Yes, sir.

Senator McCLURE. How much is budgeted in the current year for consultants?

Mr. SIEGEL. That is in your record that we submitted to you.

Senator McCLURE. At what dollar amount?

Mr. LYNCH. For fiscal year 1983?

Senator McCLURE. 1984.

Mr. LYNCH. For the proposed?

Senator McCLURE. Well how much is budgeted for 1983? And how much do you anticipate for 1984?

That's a better way to put it.

Mr. LYNCH. For 1984, there's a proposal of $176,000 for consultants.

Senator McCLURE. And what is it for 1983?

Mr. LYNCH. $80,000.

Senator McCLURE. So, you're increasing both the staff and consultants?

Mr. SIEGEL. Yes, sir, because, of course, of the vastly expanded planning that is required. And planning is almost synonymous with having consultants. We cannot have full-time members of the staff who are educational experts, architectural experts, fundraising experts, and so on. So that we are using consultants, rather than full-time staff.

Mr. NAFTALIN. Senator McClure, the consultants would not be full-time people. The chances are, in spreading out all the various kinds of experience that we need in planning a museum, these funds could very well represent dozens of people, each for short assignments.

Senator McClure. I wonder if you would detail for me, for the record, if you can, how you are expending the consultants' fees this year and how you expect to expend that money in the next fiscal year.

Mr. Naftalin. We would be happy to do that.

Senator McClure. Of the current staff of eight, how many are compensated at a rate of GS-17 or above?

Mr. Siegel. Just two, two of us. Two members of the staff.

And this is, by the way, mandated by the statute that set us up, that set the——

Senator McClure. Well, you're allowed four GS-18's, I believe.

Mr. Siegel. Yes; the Council is currently authorized by legislation four positions up to GS-18 and, through the Office of Personnel Management, one additional GS-17.

Senator McClure. So, you're below that ceiling.

Mr. Siegel. At this moment.

Senator McClure. At what rate are your consultants paid?

Mr. Lynch. By and large, they're at the cap because of the nature of their responsibilities and level of expertise.

Senator McClure. Would you, again, include that in your detail?

Mr. Lynch. But not all of them are at the cap.

Senator McClure. Right.

[The information follows:]

The breakdown for consultants is as follows:

For fiscal year 1983 (estimated): one consultant, intermittent, $135 per day, totaling $34,500 per annum; one consultant, intermittent, $110 per day, totaling $15,500 per annum; one consultant, intermittent, $200 per day, totaling $12,000 per annum; one consultant, intermittent, $245 per day, totaling $22,500 per annum; one consultant, intermittent, $245 per day, totaling $34,700 per annum; one consultant, intermittent, $245 per day, totaling $16,500 per annum; one consultant, intermittent, $245 per day, totaling $8,200 per annum; for a total of $143,900.

Programed funds for fiscal year 1983 were $80,000. The difference is due to the decision to reprogram a portion of the $75,000 from museum development to personal services to hire consultants for the Museum Development Committee.

For fiscal year 1984 (proposed): one consultant, intermittent, $110 per day, totaling $9,900 per annum; three consultants, intermittent, $135 per day, totaling $29,300 per annum; four consultants, intermittent, $245 per day, totaling $88,200 per annum; plus benefits, $18,000; other serivces, $31,000; for a total of $176,400.

## FUNDRAISING EFFORTS

Senator McClure. Assuming that your fundraising efforts are successful—and I assume that they will be——

Mr. Siegel. We intend them to be so.

Senator McClure. I am sure of that. And I wish you well in that effort.

Mr. Siegel. Thank you.

Senator McClure. Assuming that they are, have you any projections as to future requirements and to what extent those requirements will be made through private rather than Federal sources?

Mr. Siegel. If the process of fundraising, as you mentioned, succeeds, we will use less and less Federal funds. We hope to be able to do it all on donated funds.

Senator McClure. Including operation and maintenance?

Mr. Siegel. Including operation and maintenance.

Senator McClure. Thank you very much, Mr. Siegel. I appreciate hearing your testimony today.

### ADDITIONAL COMMITTEE QUESTIONS

We'll have some other questions to submit for your answers in writing.

Mr. Siegel. Thank you, Senator, for your consideration and for your time.

Senator McClure. Thank you.

[The following questions were not asked at the hearing but were submitted to the Council for response subsequent to the hearing:]

### Additional Committee Questions

*Question.* What are the budgetary plans for fiscal year 1985? Do you anticipate further increases?

Answer. We have not begun to formulate our 1985 request in detail, but we expect no major jumps like we have requested this year. It will be in the same ball park as this year's request, adjusted for inflation.

*Question.* Would you explain why the average salary of the staff of the Council is so high?

Answer. Supporting a large, Presidential Council and planning a unique, world class museum calls for a number of high caliber and specialized professionals in decisionmaking positions. I believe we have the normal distribution of such top people. What makes the average of the professional staff seem high is that these four or five executive have few, if any, middle and lower level professionals to assist them. This is because of both fiscal and slot limitations.

*Question.* What was the cost of the liberators conference this year?

Answer. There was no international liberators conference this year. The Council held one in October 1981 at the State Department. A second international conference is being planned for Europe, possibly in Paris. The $10,000 item represents costs to the Council in planning its participation, not the conference itself.

*Question.* Have you contacted the National Archives or the Smithsonian in regard to the archival preservation, as well as the restoration of the Nazi paintings?

Answer. These funds will support our overall planning for the archival activity to be housed in the museum and/or under the aegis of the Council. These funds will not be available for preservation per se. Plans for coordinating the immense job of ordering and preseving the huge Holocaust collection now stored in Suitland have been discussed with the National Archives by our Vice Chairman, Mark Talisman. While we on the staff have begun to establish an excellent working relationship with Archives and Smithsonian officials and curators, we have not yet begun formal discussions on this subject. We hope to do so during the late summer.

*Question.* How many Council meetings were held in fiscal year 1983?

Answer. One has been held; one will be held on April 12.

## NATIONAL ENDOWMENT FOR THE ARTS

### STATEMENT OF FRANK HODSOLL, CHAIRMAN

**ACCOMPANIED BY:**

- **HUGH SOUTHERN, DEPUTY CHAIRMAN FOR PROGRAMS**
- **ROBERT KNISLEY, DEPUTY CHAIRMAN FOR MANAGEMENT**
- **ANTHONY TURNEY, DEPUTY TO THE CHAIRMAN FOR PUBLIC PARTNERSHIP**
- **CYNTHIA GRASSBY, DEPUTY TO THE CHAIRMAN FOR PRIVATE PARTNERSHIP**

#### PREPARED STATEMENT

Senator McCLURE. We will now turn to the National Endowment for the Arts.

The fiscal year 1984 budget estimate totals $125 million, a decrease of $18,875,000 below fiscal year 1983 appropriations to date.

Also pending is a request for a pay supplemental in the amount of $233,000.

Mr. Hodsell, your opening statement will be included in the record.

If you'd introduce those that are at the table with you, we will then proceed directly to the questions.

[The statement follows:]

## STATEMENT OF FRANK HODSOLL

It is a pleasure to appear before this Subcommittee again. We at the Endowment appreciate the Subcommittee's continuing concern, support, and interest in the work we do.

Let me say at the outset that this Administration is deeply committed to the work of the Endowment and Federal support of the arts. In terms of recognizing and assisting artistic excellence and assisting access to that excellence, the Endowment is in a unique position to aid the nation's cultural life.

Our program grants, of course, are used for a wide variety of practical purposes in supporting specific projects and productions. Challenge funds help to stabilize the financial condition of arts institutions. More to the point, all of our grants serve two purposes. First, they lend the considerable prestige of the Endowment to a project or organization. Second, the grants stimulate the giving of non-Federal support. Program grants require a minimum one-to-one match. Treasury and Challenge grants require a three-for-one match. But matching levels are generally considerably higher than are required. The return on each Federal dollar is considerable.

I make this point to underscore the value of the work of the Endowment, a value appreciated alike by the Congress and the Administration.

The Endowment is requesting $125 million for FY 1984. We believe we can at this level of funding continue to exercise national leadership on behalf of the arts. Our budget is presented in the context of the President's overall effort to help restore economic prosperity to the country and to reduce the projected Federal budget deficit. The Endowment's budget of $125 million balances the strong desire to continue leadership in support of the arts with a commitment to restrain Federal spending.

In designing the FY 1984 budget, we were mindful of three major factors: (1) the historical percentages of funding in the various programs; (2) the possibilities of certain disciplines to attract non-Federal dollars; and (3) the potential of certain of our mechanisms to attract non-Federal dollars.

These factors have led us to put somewhat greater emphasis on our Challenge and Advancement Programs, and to protect those programs, such as Literature and Visual Arts, where the fields have more difficulty in attracting private funding.

The budget chart listed below compares our account allocations for this year and last with the proposed allocations for FY 1984.

($ in millions)

| | FY 82 | | FY 83 | | FY 84 | |
|---|---|---|---|---|---|---|
| | $ | % | $ | % | $ | % |
| Program | 103.330 | 72.2 | 101.675 | 70.7 | 86.800 | 69.4 |
| Treasury | 14.400 | 10.1 | 11.200 | 7.8 | 8.000 | 6.4 |
| Challenge | 14.400 | 10.1 | 18.400 | 12.8 | 17.100 | 13.7 |
| Administration | 10.910 | 7.6 | 12.600 | 8.7 | 13.100 | 10.5 |

## Programs

We have attempted in making program allocations to emphasize support to those programs and program categories where private support is more difficult to attract.

From a quick glance at our budget submission, it is apparent that our proposed FY 1984 budget for Literature and Visual Arts receive the smallest reductions as compared with FY 1983 -- less than 12 percent. These are the two programs in the Endowment, and the two arts forms, that rely primarily on the work of the single artist working alone. Endowment fellowships to promising writers and visual artists are the major source of fellowships. They are rarely given by private funders. The Endowment should therefore minimize cuts in these areas.

Some of our other program reductions need some explanation. Dance, for instance, is on its face reduced 28 percent. But in FY 1983, the Endowment added $1.8 million to "forward fund" dance companies prior to the beginning of their seasons and eliminate the practice of making grants in anticipation of appropriations. We similarly "forward funded" Theater ($1.1 million) and Expansion Arts ($1.6 million), which accounts for the apparent large reductions in FY 1984 in these programs.

In other programs, such as Media and Music, some categories are virtually held even, as in categories supporting Radio Art and Chamber Music. On the other hand, funding for the American Film Institute, programming in the arts on television, and orchestras -- all with proven fundraising capacity --are reduced more significantly.

While there have been some decreases in funding throughout, we have attempted to emphasize those categories that directly support artists and arts institutions; conversely, we have de-emphasized support to categories, such as service organizations, which do not bear as directly on the Endowment's primary mission. In arriving at our program allocations, we have been careful to study past proportions of funding in relation to the overall budget while making logical adjustments.

We expect that the allocations resulting from this analysis will minimize any adverse budget impact resulting from our proposed FY 1984 budget.

To cushion the impact of reduced Federal spending, there are a number of indications that non-Federal contributions through 1981 continued their upward trend. This trend is particularly impressive in view of the troubled state of the economy.

-- State arts agencies appropriations were up in FY 1983 4.8 percent or $5.7 million over FY 1982. Local arts agencies appropriations have also been growing.

-- Private support for culture was up nearly $400 million in 1981, compared with 1980.

-- The Foundation Center, in its recent publication, Foundations Today-1982, reports a two percent increase (1981 over 1980) in both the number of grants and the amount of dollars given by foundations for cultural activities; the share of foundation giving to culture increased in the same time period from 13.5 percent to 15.3 percent.

-- The Conference Board reports that corporate giving to cultural activities showed the greatest rate of growth for all corporate giving -- increasing 33 percent above 1979 levels. A 1982 study by Yankelovitch, Skelly and White for the National Council on Foundations states that six out of ten corporations surveyed indicated they would increase their giving generally, and three out of ten indicated they would remain even. If prior trends hold, this will be good for the arts.

We believe the support systems for the arts are basically in good shape. There also seems to be no necessary connection between the state of the economy in a particular locality and giving to the arts. Some cities in economic distress are doing well; others in the Sun Belt are not doing well. The common ingredient for those doing well is the presence of a dedicated group of local citizen leaders who want the arts -- who want to improve the quality of life for themselves and their neighbors.

The two percent decline in program funds between 1982 and 1983 and our proposal in FY 1984 reflects the increased emphasis on the Challenge Program. We were very pleased that the Congress agreed with us in relation to the FY 1983 budget that Challenge is an extremely effective fundraising tool and thus should increase to 13 - 14 percent of our budget. This proportion is still considerably less than the proportion of Challenge in FY 1979 when Challenge represented 20 percent of our budget.

## Treasury and Advancement

We are requesting $8 million for Treasury Funds. This reflects a decrease over a three-year period in actual and percentage terms, although we intend to use a substantial portion of Treasury Funds for a continuation and expansion of the Advancement Program.

Unlike Definite Program Funds, grants made under the Treasury Fund require a three-to-one match. The first, a hard-dollar match, must be in hand before the Endowment can release its matching funds. Subsequently, the grantees must match the whole amount once again.

In its last reauthorization of the Endowment, the Congress asked us to study the Treasury Fund mechanism because of concern that Treasury dollars could only be used by major organizations.

Consistent with the findings of the study and Congressional concerns, we are proposing fewer Treasury dollars, though our study concludes that the Treasury Fund mechanism has proved useful in a limited number of areas -- for (1) large arts organizations with the requisit fundraising capability; (2) high budget projects, such as the Programming in the Arts television series, for which major support from corporate donors is required; (3) special opportunities for joint ventures with the private sector that may occur from time to time (e.g., the 1980 NEA/Ford Foundation Chamber Music Program); and (4) a limited number of smaller grantees, embarked on institutional development through the Advancement Program, or engaged in special fundraising drives.

Informal analysis of the Challenge Program revealed that many first-rank artistic institutions needed Challenge-like help in building their capital base, but they also needed technical assistance to advance administratively. The pilot Advancement Program, begun in FY 1980 (funded with Treasury Funds), was aimed at certain carefully selected Expansion Arts organizations. The results have been impressive -- with $2,200,000 in Federal funds triggering $7,389,431 in matching money. We wish to build on this success with its emphasis on institution building and levering non-Federal support.

Therefore, we are proposing more or less to double the amount available for Advancement -- to $1.5 million in FY 1983 and $1.9 million in FY 1984. We propose continuing Advancement at least through FY 1985 so as to include all the Endowment's discipline programs.

## Challenge

With slower economic growth forecast for the 1980's, it is important that arts institutions strengthen their capitalization. We are thus requesting $17.1 million in Challenge support in FY 1984. This request would enable us to continue to help build longer-term, institutional stability for the best of our arts organizations (large and small). In FY 1984, we propose

Challenge funding at just under 14 percent of the total budget, just slightly more than in FY 1983.

Challenge Grants have proved extraordinarily effective in levering new private support. In the first five years of Challenge, about $110 million in Federal funds generated over $750 million in new private monies. And, this has been accomplished with only half the grants completed.

We have recently revised our Challenge guidelines to allow previous Challenge Grant recipients, as well as first round applicants, to apply for support in FY 1983. This change was implemented only after a survey of roughly 150 arts institutions revealed that a second Challenge Grant could elicit as much or more in matching funds as the first.

Our optimism in moving ahead with "second" Challenge Grants seems to have been justified. As of February, the Challenge Office received 113 "second" round applications requesting an aggregate of almost $93 million. Despite economic hard times, numerous arts organizations believe a second Challenge Grant will enable them to raise the base of their financial support by substantial margins.

Our purpose in Challenge is to strengthen the capacity of the best of our arts institutions (large and small) to take artistic risks, to broaden their programming, and to reach new audiences. Unlike academic institutions, arts institutions lack endowment and alumni networks. The government needs to help in this area.

## Administration

We are requesting $13.1 million in Administrative Funds in FY 1984 -- an increase of $500,000. While the overall budget request is reduced for FY 1984, it is not possible to reduce the Administrative budget concommitantly. First, most Endowment administrative costs are fixed and beyond the control of our agency. These include salary levels, rent and utilities, which account for 83 percent of the Administrative budget. Second, in 1983, we are expecting an unusually large cost increase in rent (up $429,000 for the same amount of space).

While we reluctantly seek an increase in our Administrative account, the size of the increase has been held to a minimum because of continued progress in achieving cost efficiencies. We have: (1) reduced staff by ten positions; (2) reassigned existing staff to avoid new recruitment; (3) reduced staff travel to a level $65,000 under our FY 1983 Congressional budget request; (4) reduced printing costs through increased in-house reproduction and reduction of guidelines and brochures; and (5) reduced panelist contract costs $90,000 below our FY 1983 Congressional budget request (notwithstanding significant broadening of our panelist base to include a wider range of expertise, background and viewpoints).

## New Partnerships - Public and Private

The preceding discussion underscores our efforts in FY 1983 and 1984 to attract new non-Federal support -- through (1) the strengthening of already established programs, such as Challenge and Advancement which have demonstrated effectiveness in this area, and (2) moving ahead with ambitious plans to forge new links with non-Federal funders, in both the public and private sectors. I would like to single out in this second respect two important sets of initiatives.

### 1. Local Arts Initiative

In its last reauthorization, both the House and Senate authorizing Committees encouraged the Endowment to devise a better working relationship with local arts agencies. In its report, No. 96-557, the Senate Committee stated that "the number of these organizations has grown from 200 to well over 2,000 in the last ten years. The Committee strongly encourages the

Arts Endowment to develop a program of support for these local arts agencies. A program specifically aimed at supporting arts at the local level was found lacking in the present Endowment program structure."

The Congress was only echoing a debate of many years standing within the Endowment itself, but we believe a final resolution of the proper relationship between the Endowment and local arts agencies will require some working out. Consequently, we are proposing in FY 1984 a $2 million test to evaluate how best to stimulate sustained new and increased public local support for the arts nation-wide.

The purpose of this experiment is to promote increased support for the arts at the local level by providing seed money to test the efficacy of a variety of model approaches and to see which mechanism (or combination of mechanisms) can be most effective in furthering (1) local public commitment to the arts, (2) improved local decision-making regarding the arts, and (3) close cooperation and joint planning between public and private sources of art support and among all levels of the public arts agency network.

### 2. Private Sector Support

To carry out the recommendations of last year's Presidential Task Force on the Arts and the Humanities, the President has established a Presidential Committee to suggest ways to encourage new private support. The Committee is composed of Federal and private members, and is chaired by Andrew Heiskell, former chief executive officer of *Time*. The First Lady is Honorary Chairman.

At the Endowment, we have established the new position of Deputy to the Chairman for Private Partnership. We are developing, with the President's Committee, an overall approach to this critical area. We are involved in a number of special efforts and projects throughout the Endowment. To give you an idea:

-- We have established a Speakers Bureau through which we will attempt to provide people knowledgeable about the arts to organizations involved in special fundraising activities and drives. Informal in character, the Speakers Bureau has enlisted the support of some 72 individuals, including some of the best known artistic names in America.

-- In our Music Program, which has an excellent record of devising partnership efforts with private funding sources, we have just announced a new effort in jazz involving the Rouse Company, the Baltimore headquartered developer that pioneered "Art in the Marketplace." Under this initiative, jazz presentations and concerts will take place in shopping malls in five states: California, Maryland, Massachusetts, Ohio and Texas. This effort is patterned somewhat after earlier projects involving opera and chamber music in shopping centers.

-- Our Literature Program Director and author John Irving met recently with a group of corporate funders to discuss the various options open to corporations in funding American writers. The lunch, paid for by Exxon, brought together corporate leaders with leaders of the major service organizations serving the field of literature.

-- In the Dance Program, we are currently working with a major national foundation to develop greater opportunities for collaborations between choreographers and repertory dance companies to create and produce new works.

-- In Inter-Arts, we are helping to develop a government-foundation-corporate consortium to fund the production and touring of new, more experimental works.

-- We are developing a special program to recognize "model cities" through case studies to show how arts, business and political leaders joined together to accomplish new levels of support for the arts and new life for the cities.

-- We are working with the National Conference of Mayors on materials and a process designed to inform and encourage cities regarding the benefits and techniques of greater local support for the arts.

-- We are also producing a new book entitled "Business and the Arts: How They Met the Challenge." In this publication, we will detail how Challenge Grantees devised and pursued effective programs to enlist increased support from corporations in their home communities.

## Conclusion

We believe that the budget we have presented to the Congress for FY 1984 will enable the Endowment to maintain critical support for a broad spectrum of the arts -- both artists and arts institutions. We believe that our support at this level will help significantly to sustain the greater enterprise of the arts that has grown so steadily in recent years.

Faced with budgetary constraints, we intend to be resourceful and responsible -- using Federal dollars and Federal leadership -- in order to stretch public resources as far as possible and induce still greater non-Federal giving.

Through this combination of Federal support and new initiatives toward enhancing non-Federal support for the arts, we believe the Endowment can maintain momentum in assisting the American arts -- so essential to our national and spiritual well-being.

## INTRODUCTION OF ASSOCIATES

Mr. Hodsoll. I'd like to introduce, starting on my right, Hugh Southern, who is my Deputy Chairman for Programs. And on his right, Cynthia Grassby, who is Deputy to me for Private Parnership.

On my left is my Deputy Chairman for Management, Bob Knisely.

On his left is Anthony Turney, who is the Deputy to me for Public Partnership.

Senator McClure. The fiscal year 1983 justification included the advancement program under the heading of regular programs. No funds were requested for this activity in fiscal 1983, nor did Congress include this category when action was taken to increase the Endowment's budget.

We see, however, that you intend to spend $1,669,000 in challenge and Treasury funds for advancement this year and a total of $1,900,000 in fiscal year 1984.

If I may quote from last year's justification—and I do quote:

> Advancement was designed as a 3-year pilot. In fiscal year 1982, the third and final installment of funds, totaling $941,000, was awarded to the 11 participating organizations. During fiscal year 1983, the pilot will be evaluated, with no grants awarded.

Why have you deviated from the program outlined in the fiscal year 1983 justification?

Mr. Hodsoll. Well, sir, as you mentioned, we did say we had the program under evaluation. We, in fact, completed that evaluation in the course of last year.

As I noted in my previous testimony, in designing the new challenge program, we said that we would attempt to assure an advancement-type concept, to help, in conjunction with improved Endowment advocacy, the smaller organizations. That is on the record during our hearings last year.

Basically, the record for advancement has been very good. As you know, it was a pilot in the expansion arts area. $2.2 million in Federal funds generated roughly $7.4 million in non-Federal funds for the 11 organizations involved.

As a result, we thought that it would be a good idea to expand the advancement concept to our other programs on a staggered basis. And indeed, when discussions were taking place last summer with regard to an increase for the budget of the National Endowment for the Arts in fiscal 1983, we responded to a request from your companion committee on the House side for a capability statement on added funds.

We said in that capability statement, which was shared, I believe, with your staff, that $2 million, roughly, would be allocated for advancement. And that, then, became a part of the conference report record last year, as I understand it.

But in any event, the basic reasoning is that we feel we need a program similar to challenge in order to help the longer-term institutional stability of smaller organizations. And, that's what advancement is about.

Senator McClure. You mentioned that an evaluation of that program was completed last summer.

Mr. Hodsoll. Yes, sir.

Senator McClure. Will you make a copy of that evaluation available to the subcommittee.

Mr. Hodsoll. Yes, sir. Certainly.

[The information follows:]

# PILOT ADVANCEMENT GRANT PROGRAM

## Overall Evaluation

The successes of the Pilot Advancement Program have been made clear during evaluations conducted by Endowment staff, panels, and the National Council on the Arts throughout the Pilot Program. As early as the first year of the program, our grantees showed important advances in stimulating contributions and consolidating management, finances, and board capacity.

To date, the 10 Advancement grantees have matched $2,200,000 in Federal funds with $9,720,727 in non-federal monies. Like Challenge, Advancement has provided grantees with a catalyst for increased community support. Soon after an Advancement Grant to Philadanco was announced, the Pew Memorial Trust helped match the Federal funds with a $25,000 gift. The Trust had never contributed to Philadanco until that time.

The Advancement Program also provided the tools for the grantees to make the necessary adjustments to their internal management in order to further long-term stability. The Studio Museum in Harlem dramatically increased its capital base and improved staff and board fundraising capacity. El Teatro Campesino was able to make the transition from a touring company to a resident theater while increasing both earned and contributed support.

The grantees themselves have attributed their success to two factors:

1. The Preparatory Stage, which provided the grantees, and their donors, with a road-map for stability, and artistic accomplishement; and
2. The catalytic effect of the Federal match, which helped the grantees develop broader bases of community support.

The organizations in the pilot program were deliberately selected, not only because of their own artistic significance and promise, but because they represented a broad spectrum of developing arts organizations in various disciplines. The decision to continue Advancement was made with the recognition that the program can meet effectively the needs of organizations in many fields, as does Challenge.

The Endowment's three year program for Advancement is intended to continue the success seen in the pilot to organizations in the fields of Literature, Media Arts, Opera-Musical Theater, Visual Arts, Dance, Theater, Folk Arts, Music, Museums, Design Arts, and Inter-Arts.

## Evaluation of the Operation and Guidelines of the Pilot Advancement Program

## With Recommended Adjustments

### A. Grantee Selection

The Advancement Program is designed for an institution at a critical developmental juncture. The most successful pilot grantees shared certain characteristics which should be considered as selection criteria:

#### 1. Artistic Status

The organization must have an active, growing artistic program, for example:

- For a museum, there should be a permanent collection, a codified acquisitions policy, and an active acquisitions program. The museum should mount at least one major show each year, with 50% outside underwriting. It should also have an active program of sponsoring touring or loaned shows.
- For performing groups, an active schedule of original productions on tour in the home city, using professional artists, with indications of a growing audience.
- The desired artistic status of any other types of organizations that may be made eligible for the program must be clearly delineated in the guidelines.
- The artistic quality of an applying organization, measured against the criteria, should be evaluated by at least 2 panelists during the application process.

#### 2. Organizational Status

The organization must be well beyond the project state of development for the program to be effective. An existing organizational structure should already be in place. Typically, this would include:

- A functioning financial system and recordkeeping system, no matter how rudimentary;
- A full-time, staffed management structure which would usually include:
  - — artistic director/general manager/director
  - — fiscal officer
  - — development officer/audience developer/marketer
  - — clerical support
- A functioning board of directors that has met at least 3 times in the year prior to application, and that fully understands and endorses the organization's participation in the Advancement process;
- An audit by a CPA for the most recently completed fiscal year or at least internal documents which conform to generally accepted accounting procedures. (Given the current funding environment with an emphasis on accountability, an audit has become a requirement for many funding agencies).
- An annual operating budget of $200,000 to $1,500,000.

There should remain some flexibility in these criteria. However, the optimum results will be realized by organizations which meet them at the time of selection as Advancement grantees.

### B. The Preparatory Stage

This is the unique feature of the Advancement Program, and it is the most critical element in the success of any Advancement award. However, greater effectiveness will be achieved if the following factors, which hampered the preparatory stage during the pilot program, are reduced or eliminated:

- Delays in beginning the preparatory stage because of uncertainties as to whether there would be funds for the program. This caused both the 4-year plan work, technical assistance, and follow-up to be attenuated. There was significantly less than the planned 12 months of concentrated consulting activity given to the grantees.

- The lack of an advance, coordinated schedule of consultant site visit days, resulting in an irregular pattern of service delivery.

- Unclear or undefined deadlines for plan completion, and measurable results expected of each organization.

- Confusing lines of communication caused by a "middleman" consultant.

- Insufficient advocacy support by the Endowment to enhance the work of the primary consultants in each organization and to promote the program and the grantees within the private sector network.

These factors are all easily corrected by the plan which follows:

1. Eliminate Delays in the Program

- Begin the preparatory stage only after funds for the "matching stage" are available.

2. Improve Pattern of Service Delivered by Consultants, Work Deadlines, and Lines of Communication.

- Eliminate the "middleman" consultant. Consultants assigned to work with each organization should be under direct contact with the Endowment and report to the Advancement Program. However, Endowment staff would still be proscribed from involvement in the internal management of the grantees.

- Before formally beginning the preparatory stage, consultants should develop a needs assessment and a planning/technical assistance schedule to be followed. This schedule will be agreed upon by the grantee, and monitored closely by the Endowment. In turn the Endowment should spell out more clearly the objectives against which success will be measured.

- Award "preparatory stage" grants to cover costs incurred by the grantee during the planning period. Typically, these costs would include audit preparation and additional staff time needed for planning above and beyond time needed to continue operating the organization at its previous level, or contracting for specialized services that cannot be delivered by the prime consultant.

- Insure sufficient funds for follow-up visits and technical assistance by consultants after completion of the 4-year development plan.

3. Improve Endowment Advocacy and Leadership with the Private Sector

- Establish an Institutional Advancement Task Force. This would be a working group of individuals representing corporate and foundation officials, management and fundraising, and financial executives, and volunteer executives including representatives from BCA, VLA, and Volunteer Urban Consulting Group, head of NACAA. Each task force member should have access to a network of other persons and agencies to whom the Endowment, the Advancement grantees, and the consultant team members can turn to for special assistance. The task force would also guide the continuing development of the program and make recommendations to the staff, Chairman, and Council on the operation of the program.

## C. The Matching Stage

The matching stage is intended to help the grantee implement its 4-year plan as developed under the preparatory stage. In addition, it is intended to help organizations broaden their bases of support from the private sector. Providing more positive incentives for the grantee, a sense of continuity and assurance about funding, and periodic follow-up and assistance during this stage proved to be shortcomings in the pilot program. Improvements and adjustments should be made as follows:

1. Build in more positive incentives and a more stable and predictable funding cycle. No change in matching ratio or allowable matching funds is recommended, in order to preserve flexibility. However, the release of federal funds can and should be used as more of an incentive after the preparatory stage is over. During the pilot year, grantees' motivation to work with consultants on remaining problems was lessened considerably once grant checks were received.

   Furthermore, grantee anxiety about the availability of funds made planning, and plan implementation even more difficult than usual. Therefore, two structural changes are recommended:

   a. That the matching stage be reduced to two years, instead of the current three. This will allow the Endowment to insure that funds are available for both years since treasury funds are "two-year" monies.

   b. For the two years, stagger the grants in increasing amounts as follows:

      1st year: up to $25,000

      2nd year: up to $50,000

   This provides a built-in incentive, while enabling grantees and the Endowment to plan more effectively. These changes will also make easier the administration of a larger number of grantees in various disciplines.

2. Provide for routine follow-up by consultants:
   After the preparatory stage had ended, there was insufficient follow-up by consultants during the match stage. In some cases, although the grantees may have made the match, the overall effect on the organization was not as great as it might have been if the consultants had been available to check in and provide assistance. Therefore, sufficient funding for consultant follow-up during the matching stage should be a feature of the Advancement Program in the future.

## Advancement Program Recommendations on FY 1982 Grants

$950,000 in Treasury Funds were available for distribution to the Advancement grantees in FY 1982, the third and final installment of funding in the Pilot Advancement Program.

On June 18, 1982, a special Advancement Panel met to review the applications, and to make recommendations for the final installments, up to $950,000. Prior to the panel meeting. applicants had received reviews by the Visual Arts and Performing Arts Panels of the Expansion Arts Program in April, site visits by the Advancement panelists themselves, and financial assessments by Challenge Grant Program staff.

The members of the Advancement Panel were:

Lynne Alvarez
New York City
Consultant

Philip Arnoult
Baltimore
Baltimore Theatre Project

Richard Contee
Minneapolis
Dayton-Hudson Foundation

Edmund B. Gaither
Dorchester, MA
Museum of National Center of
Afro-American Artists

Patricia Quinn
New York City
Consultant

Joan Rosenbaum
New York City
Jewish Museum

Harvey Seifter
New York City
Theatre for the New City

William Strickland
Pittsburgh
Bidwell, Inc.

The panel used the following criteria in reviewing the organizations, and in arriving at a final recommendation:

1. Program Strength

   Is the organization still viable, with high-quality programs? Is the programming growing, static or declining?

2. Matching Ability

   Will the organization be able to meet the match at the level requested?

3. Progress Towards Meeting Four-Year Plan

   Has the organization made significant progress as shown by a) increased contributed and/or earned income; b) artistic advances; c) management improvements; and/or d) attainment of the critical goals in the Four-year plan?

4. Financial Status

   What is the financial position of the organization? Is the trend up or down or even?

5. Planned Uses of Advancement Funds

   Are the planned uses of the final Advancement installment reasonable, in keeping with their mission and likely to contribute to the on-going growth and health of the organization?

The panel was especially concerned that each final installment of Federal Advancement funds would make a measurable contribution to the growth and advancement of the grantee. The panel carefully reviewed the progress the organization had made under previous installments of grant funds, and the organization's planned uses for the final installment.

The panel also weighed the matching ability of each organization against its matching performance under the first two installments of funds, and the organization's projections for the future. It was clear to the panel that all of the larger organizations--El Teatro Campesino, the Negro Ensemble Company, and the Studio Museum in Harlem--could have matched and effectively used higher grant amounts than could be recommended. However, the panel was satisfied that the amounts recommended for these grantees would constitute important endorsement and recognition of the organizations' progress, as well as a significant challenge to continue to raise private funds. This is especially true when seen in light of the Endowment's limited funding at this time.

At the close of the meeting, the panelists gave their assessment of the Advancement Program itself, based on the site visits they had had with the Advancement organizations and from their own experiences with developing arts organizations. The panel's recommendations have been given strong emphasis in the development of guidelines for a new round of Advancement Grants for FY 83.

## REPROGRAMING REQUEST FOR ADVANCEMENT ACTIVITIES

Senator McClure. It would appear that, under subcommittee guidelines, the Endowment should submit a reprograming request for any advancement activities to be funded during the current fiscal year.

Have you made plans to do so.

Mr. Hodsoll. No, sir, because we believe that the conference report last year included advancement, because we thought we were on the record with respect to that. Maybe we were mistaken, but we certainly thought we were.

Senator McClure. Let us check that with you.

Mr. Hodsoll. Yes, sir. Certainly.

Senator McClure. And we'll consult with you on that question.

Mr. Hodsoll. Surely.

Senator McClure. A new funding category, entitled special projects, appears in this year's justification.

In the current year, $400,000 is diverted from the appropriation made for research to support special projects.

Can you explain what that program is and why the decision was made to initiate it from research funds without seeking a reprograming?

Mr. Hodsoll. Well, basically, Mr. Chairman, we have added in possibilities for special projects throughout our programs, as well as in the policy and research area.

Basically, that amount provides flexibility in policy and research, similar to that which used to be provided in inter-arts. If you go back 4 or 5 years, there was a special projects category for the Endowment as a whole and, the policy, planning, and research budget has always been one in which there was flexibility to undertake special projects that would help us either understand or advocate the arts.

For example, in fiscal years 1982 and 1983, we are using funds from this pot for studies on public participation in the arts, arts education, and so on. We didn't believe that there was a need for reprograming and that special projects was a normal part of the general ambit of policy planning, evaluation, and research.

Senator McClure. Well, as you might guess from my questions, I am concerned with policy that every Endowment Chairman has followed, not just yourself.

New programs are initiated in one fiscal year and then presented to the Congress as part of the next fiscal year's justification, rather than the other way around.

Mr. Hodsoll. Sure.

Senator McClure. And I'm particularly bothered by the situation with regard to the fiscal year 1983 budget, since the Endowment's preferred allocation of increased funds was followed by the House and the Senate to the letter. And none of these submissions was special projects mentioned as requiring funding in 1983.

It seemed to me that the Endowment ought to be expected to follow the procedure which we require of all other agencies, either justify a new program before funding is provided or, at the very least, submit to us a reprograming request.

Mr. Hodsoll. There is no question that if we were reprograming over and above the limits that are provided—that is, up to 10 percent—or $200,000, I believe—we should do that.

I think that the problem is more that we didn't think we were reprograming, but perhaps we should get into that with your staff after the hearing.

Senator McClure. Between fiscal years 1981 and 1982, applications to the Endowment dropped by 10,500. Approximately 600 fewer applications are expected to be received in fiscal year 1983 than in 1982, for a total reduction of 41 percent since fiscal 1981.

On what basis do you estimate an increase in applications for fiscal year 1984, as compared with the current year?

Mr. Hodsoll. Basically, sir, those increases are due almost exclusively to increases in fellowship applications in literature and visual arts.

In the case of literature, we revert back to poetry in the 1984 cycle, and there are usually more poetry applicants than there are prose applicants, prose applicants coming in in fiscal 1983 and poets coming in 1984.

With respect to visual arts, we're simply anticipating an increase based on additional confidence in the Endowment's programs over the past year.

Senator McClure. In the Endowment's regular programs, the reductions below the fiscal year 1983 level range from a 2-percent cut for Opera/Musical Theatre and an 8-percent cut for music to a 28-percent reduction in dance, a 38-percent reduction in inter-arts, and a 33-percent recuction in expansion arts.

What was the basis for applying reductions in the regular programs?

Mr. Hodsoll. Basically, sir, we allocated reductions on two bases.

First, there were three programs that had received exceptionally large amounts in fiscal 1983 in order to allow them to forward-fund the seasons in those particular disciplines.

We had a practice in the past in some of these programs of making commitments for funds that were not available until after the projects had begun.

You will notice that in dance, in theatre, and in expansion arts, the fiscal year 1983 amounts are significantly greater than the fiscal year 1982 amounts. And that is why those three programs have disproportionate reductions. We have accomplished the forward-funding and, therefore, can go back to our regular basis.

The second explanation involves the fact that we have tried to reduce the amount of cut for those programs that have a disproportion of smaller organizations and/or individual artists.

Therefore, expansion arts, folk arts, visual arts, and literature have slightly less reductions than some of the other programs.

With regard to challenge versus program, we have maintained a parity as to the proportion that challenge represents of the total Endowment budget—that is to say roughly 14 percent of the total.

The figures here show that challenge was held relatively more harmless. But that is explained by the fact that in fiscal 1983 we were able to preserve some of our fiscal 1982 funding to have a larger challenge pot this year.

Senator McClure. If Congress should again increase the Endowment's budget above the requested amount, how would you wish that the increases be applied? In the same manner as you've done the reductions? Or in the inverse manner? Or relatively evenly across the board?

Mr. Hodsoll. I think, sir, that perhaps it's too early for us to be able to give you a good answer on that. I think, when and if the time comes, that probably we ought to consult on that issue. We believe the $125 million proposed in the President's fiscal year 1984 budget will allow us to continue to maintain momentum in supporting the arts.

Senator McClure. I don't expect you to ask us to go above the requested amount. But Congress has a history of making up its own mind.

Mr. Hodsoll. Indeed it does. [Laughter.]

Senator McClure. In comparing your fiscal 1983 administrative budget contained in this year's justification with that submitted with the fiscal year 1983 budget, personnel compensation which was to have declined from 1982 to 1983 actually increased rather substantially.

Even without the pay supplemental, you are now proposing to spend $731,000 more for personnel items than proposed in the 1983 budget.

Why that rather substantial difference?

Mr. Hodsoll. Well, I think that this is in comparison with the proposed amounts in our last year's budget submission?

Senator McClure. Yes.

Mr. Hodsoll. I see.

Basically, the differences can largely be explained—and we can submit for the record the exact numbers—by the fact that when we proposed the personnel account in 1983, we failed to take into account the fact that we would be hiring a number of senior personnel, basically program directors to replace those who had either departed the Endowment or were departing. So, that number was understated based on the facts at the time that budget submission was put forward.

In fact, our 1983 personnel account is significantly above what we had previously submitted, notwithstanding a reduction in slots of from 1982 to 1983.

Senator McClure. Well, there was supposed to have been a decline from 1982 to 1983.

Is it simply on that basis?

Mr. Hodsoll. Yes, sir.

Senator McClure. It's a rather large difference to be occasioned from just that one source.

Mr. Hodsoll. Well, in fact, if you look at our senior personnel, you can add up—when you're talking about people at the $50,000 level—you can add up fairly fast to nearly a million dollars.

Looking at the numbers that we have for 1983 in our fiscal year 1984 budget submission, we have a total personnel compensation of $8.1 million as an estimate, versus an actual in fiscal 1982 of $7.5 million.

Essentially, that number compares—with an estimate of $7.3 million, as you point out. The difference of roughly $800,000—I can't give you the exact numbers off the top of my head—but I think you will find—and we will send you the numbers for the record—that it is largely due to this increased number of senior personnel.

Senator McClure. What we did in getting that figure was subtract the total actual 1982 from the 1983 estimate and take out the pay supplemental, and that amounted to $731,000. You had asked for $7,908,000, now I see that that's your 1983 estimate. You're now saying that it will be $8,872,000, which is almost $1 million more.

Mr. Hodsoll. Oh, I see. You're adding in the benefits, as well. I'm sorry. I was on the wrong line.

Senator McClure. Yes; page 124, the third line from the bottom.

Mr. Hodsoll. Right. We have gone from $8 million, roughly, to $8 million, roughly $9 million, from 1982 to our estimate of 1983. That is about $700,000 or so, and that we believe is due primarily to the fact that in 1982, or for a good portion of fiscal 1982, we operated with only about one-half our program directors and no deputy. Mr. Southern was not here, Cynthia Grassby wasn't here, and those salaries have added up to the difference, essentially, sir.

Again, I'll submit for the record something that puts it down.

Senator McClure. I hope you will, because my mathematics indicates they're overpaid, and I suspect that they don't agree with that. And I suspect the mathematics will come out a little different, because I don't think they're all getting $70,000 a year.

Mr. Hodsoll. Well, there are 14—roughly, a GS-15 today makes in the high $40,000. Bob, what does he make?

Mr. Knisley. You can actually get closer to $60,000 fairly quickly with a senior 15.

Senator McClure. As I say, the mathematics is in excess of $70,000, there is a differential I'd like you to explain, if you will, for the record.

Mr. Hodsoll. We will do so.

[The information follows:]

### Personnel Costs

Once the full effect of fiscal year 1983 pay increases is taken into account, the increase in the personnel costs for fiscal year 1983 (over fiscal year 1982) between our fiscal year 1983 request and our fiscal year 1984 request is substantially less than $731,000. In accordance with OMB guidance, the $233,000 pay supplemental requested for fiscal year 1983 is only one-half of the total estimated cost of the fiscal year 1983 general pay increase, pay ceiling increase, and medicare costs. Deducting the full amount of these increases from the total personnel cost increase leaves approximately $598,000 attributable to changes in the staffing patterns. The table below details these changes.

| Grade level | Approximate fiscal year 1982 cost | Gain/loss | Total cost increase/decrease |
|---|---|---|---|
| ES-5/ES-4 | $62,675 | +1 | +$62,675 |
| GS/GM-15 | 50,980 | +7 | +356,860 |
| GS/GM-14 | 43,340 | +1 | +43,340 |
| GS-12 | 30,845 | -2 | -61,690 |
| GS-11 | 25,735 | +6 | +154,410 |
| GS-9 | 21,270 | -1 | -21,270 |
| GS-7 | 17,385 | +8 | +139,080 |
| GS-6 | 15,645 | -13 | -203,385 |
| GS-5 | 14,035 | +7 | +98,245 |
| GS-4 | 12,545 | +1 | +12,545 |
| GS-3 | 11,175 | +2 | +22,350 |
| Total | N/A | +17 | +603,160 |

The figures in the gain/loss column represent the difference between the fiscal year 1983 columns in the detail of permanent position charts in the fiscal year 1983 and fiscal year 1984 requests. The table assumes that all increases and decreases occur at the step 1 level within each grade, and this assumption accounts for the small discrepancy between the table's total estimated increase and the figure cited above. Thus, of the $964,000 total increase between the fiscal year 1983 estimate contained in our fiscal year 1983 request and the fiscal year 1983 estimate in our fiscal year 1984 request, approximately 40 percent is attributable to salary level increases and medicare costs, while 60 percent is attributable to staffing pattern changes.

I would like to add that the increase in average grade level between fiscal year 1982 and fiscal year 1983 in reality represents a return to typical staffing levels. With the change in administrations, all of the Deputy Chairmen and many Program Director positions become vacant. Because of my decision to exercise more care than haste in filling these positions, several were vacant during most of fiscal year 1982. The average grade level for fiscal year 1982 was consequently a full grade point lower than has been typical in recent years. The average grade level in fiscal year 1983 has simply returned to normal.

### STANDARD LEVEL USERS' CHARGE

Senator McClure. The Endowment had budgeted $1,690,000 for the standard level users' charge for fiscal year 1983. This was based on the Endowment's moving in November. The justification further stated that your current location would cost $90,000 more in fiscal 1983 than would the new space. Your current standard level users' charge estimates for this year show a decrease of $140,000 below the estimate, even though you've not yet moved.

What are the current rates you're paying at Columbia Plaza, and what rates will you be charged at the Old Post Office?

Mr. HODSOLL. Well, I'm going to defer to my Deputy for Management on the precise rates. Let me just make one general remark, if I may, Mr. Chairman. We had a bit of a windfall in 1983 due to the fact that, because our appropriations were late in coming, the General Services Administration did not increase the rates in 1983 the amount that we pay for the Columbia Plaza space at the time they originally indicated they were going to increase it. And, therefore, we have a lower amount, in fact, to pay in 1983. But with respect to the details on that, maybe I could turn to my deputy.

Mr. KNISLEY. Senator, the cost per square foot in Columbia Plaza is about $10 a foot under the old contract. Under the new contract it's, I believe, somewhere between $24 and $25, and the space in the Old Post Office is $27–$28 something like that for 1983. That figure goes up substantially in 1984. There's also been a reduction in the number of square feet that we will be using between Columbia Plaza and the Old Post Office space which makes the calculations difficult to do immediately.

Senator MCCLURE. Even though the rate is much higher, your total will be lower?

Mr. KNISLEY. Yes, sir. Total square footage is somewhat lower, which makes the immediate calculations not easy to do.

Senator MCCLURE. Well, did I understand that your rate now at Columbia Plaza is $10, or is it $24 or $25 now?

Mr. KNISLEY. Subsequent to the fiscal year 1983 appropriation, I think the restriction on GSA charging extra expired. So I believe we're at the $24. I'll have to supply information on that for the record.

Senator MCCLURE. Would you do that, please?

Mr. KNISLEY. Yes, sir.

[The information follows:]

The $90,000 reduction in space rental costs cited in our fiscal year 1983 request was based on continued General Services Administration assurances that the modular "systems furniture" to be used at the Old Post Office would result in more efficient use of space than at Columbia Plaza, and that the resultant reduction in total space needs would more than offset the higher cost per square foot at the Old Post Office. As preparations for the move advanced to their final stages, however, GSA's assurances proved incorrect. Space utilization at the Old Post Office will actually be much less efficient than at Columbia Plaza, so it has been necessary to increase the total amount of space to be rented at the Old Post Office to nearly the same amount as at Columbia Plaza. Even so, the amount of usable office space will decline by about 15 percent compared to Columbia Plaza. For a full year's occupancy, space rental would now be about $300,000 higher at the Old Post Office than at Columbia Plaza.

NEA currently occupies 67,230 square feet of space at Columbia Plaza. At the Old Post Office, space (including the President's Committee and excluding the Council meeting room) will total 67,147 square feet. The rate per square foot at Columbia Plaza in fiscal year 1982 was $8.84. SLUC was frozen at this rate for the duration of the fiscal year 1983 continuing resolution period, which ended December 17, 1982. The fiscal year 1983 rate is $22.11 per square foot, compared to $26.75 per square foot at the Old Post Office.

As noted in my earlier testimony, however, the reduction in estimated fiscal year 1983 SLUC costs from our fiscal year 1983 request to our fiscal year 1984 request actually stems from Columbia Plaza rates being frozen at fiscal year 1982 levels during the continuing resolution period rather than from the fiscal year 1983 Columbia Plaza rates being lower than the Old Post Office rates. Had Columbia Plaza rates not been frozen, and the move delayed past the November date assumed in the fiscal year 1983 request, the actual SLUC costs in fiscal year 1983 would have been higher than those estimated in the fiscal year 1983 request.

### PERSONNEL COSTS

Senator McClure. All of your items in the object class breakdown for fiscal year 1983 are now projected to be lower than your original estimates, with the exception of personnel.

Have you made a conscious decision to keep these costs down in favor of spending more for personnel?

Mr. Hodsoll. No, sir; in fact, basically, again, as I mentioned, the personnel figure in 1983 was understated, because of the assumptions, and we'll supply that for the record.

With regard to the other items, essentially, with regard to the SLUC rate, we had the windfall that we've just been describing. Again, we'll provide you the exact figure so that you have it.

In the other areas, however, we've basically made a very special effort to try to tighten up our procedures. Indeed, at the hearings last year, Senator Rudman made a specific point on panel costs: and while we've broadened the composition of our panels, by tighter management and having back-to-back meetings, we've been able to significantly reduce the amount of money that we use for that purpose. The same thing is true in a variety of other areas. I think we're getting fairly tight in some of these discretionary areas now, sir.

Senator McClure. Both the Arts and the Humanities have recently completed reports requested by Congress on the effectiveness of Treasury grants as fundraisers and on the administrative problems associated with this funding mechanism. The Arts Endowment found significantly more problems with this program than did the Humanities. This may be due to the fact that the two Endowments have totally different matching requirements for the program. Humanities requires only a 1-to-1 match, while the Arts requires a 3-to-1 match.

Would a change in the matching requirements alter the Endowment's position on the value of the Treasury grants?

Mr. Hodsoll. Well, I think that the value of the Treasury grants to us is the extended leverage of the granting mechanism in those areas where it, in fact, helps. I think that for the purposes that we use Treasury funds and that we would like to continue to use Treasury funds—for example, in advancement, in programing in the arts in the media program, and with respect to some of our larger orchestras—that we would like to retain the present system.

We found that in terms of leveraging non-Federal support the challenge grant mechanism has been a better mechanism and, therefore, we have increased the emphasis on challenge while reducing the emphasis on Treasury.

I might note that if you compare us with the National Endowment for the Humanities, while we have reduced a bit the amount that we are requesting for Treasury, we are still in the 10-percent range of our total budget. In the Humanities, we're talking about the 8-percent range. So we're still roughly in tandem on that, sir.

Senator McClure. The theater section of the Treasury report contains a statement to the effect that the program is proposing to alter its guidelines to focus on more specific purposes. The specific purpose mentioned is improving actors' salaries.

Are you looking at how you accomplish that, or is that something that is better left to negotiations outside the Endowment itself?

Mr. Hodsoll. Well, I think what we're basically doing here is symbolic. Essentially, actors and actresses are by and large paid very poorly—at the lower end of the scale, even for artists. And, by emphasizing the artists' salaries, what we hope to do is create a greater degree of concern than already exists with the managements of the nonprofit theaters with respect to this situation. I don't think it's going to change the overall economy overnight, but I wonder if I could ask my deputy, Hugh Southern, who comes from the theater field perhaps to speak to that.

Mr. Southern. I think there are really two parts to that, Senator. One is the issue of compensation for actors, and the other is the numbers of actors employed by the companies, which makes it possible for them to do repertories that are somewhat more ambitious in scope.

The other point I should make is that some of the smaller companies that we support have not been paying actors at what we believe to be the prevailing wage standards, and we expect, over time, to encourage companies to move out of that rather doubtful area and to be sure that all company members are appropriately compensated.

Senator McClure. Is it appropriate for the Federal Endowment to be involved in the pay negotiations between those who are the producers and those who are the artists?

Mr. Southern. I don't think we'll be going into it.

Senator McClure. Are we having an Arts and Humanities Davis-Bacon Act imposed here by administration?

Mr. Southern. No; I don't believe so, sir. I think that we are interested in this within some general scope. We certainly won't interpose ourselves into any negotiation.

Senator McClure. You're speaking of prevailing wages, and whether or not they're being paid. I really question whether that's an appropriate activity for the Endowment to determine what is an appropriate salary.

Mr. Southern. Well, I should perhaps comment that historically, there have been a number of theater companies paying little more than transportation to actors.

Senator McClure. I understand that. I understand too that it's a problem. My question is not so much whether artists ought to be paid more, my question is whether the Endowment is the appropriate place to focus that attention and concern. You're embarking upon an entirely different area, it seems to me, and I would be surprised that an administration so devoted to free enterprise would suddenly decide administrative fiat is a subject too for negotiation.

Mr. Southern. Yes; I hope that it won't be interpreted as administrative fiat, Senator. The question is, though, that in theater companies, the proportion of salaries paid to administrators has risen in recent years somewhat out of proportion to the same increases in artistic salaries. And I think we're making a general comment with respect to that rather than entering into any specific description of what a particular theater should or should not make to its artists.

Senator McClure. I understand your statement. I expect different people will view it in different fashion.

Senator Burdick?

Mr. Southern. I hope that we will do it with very gentle hands.

Senator McClure. Oh, I'm sure everybody thinks they do it with gentle hands, when gentle hands will work. And if gentle hands don't work, then the next step is to use hands that aren't so gentle, because the ends justifies the means.

Mr. Hodsoll. I wonder if I could just add, if I may, Mr. Chairman to that.

Senator McClure. Surely.

Mr. Hodsoll. Under our statute, we are, of course, required to comply with the Davis-Bacon procedure. I think that if one looks at the guidelines, and I might note that our guidelines are in part developed by the field, that one will find that there are a number of things that are suggested that may help nudge the arts. One example from the past, is dance touring. And you could make the argument, why should we be funding projects which encourage dance companies to go out and tour? Well, the Endowment felt at that time it was in the dance companies' interests, and it was in the interests of audiences in States throughout the country, to do that. And this is, I think, just another example of the kind of thing where we think that there is a need to give a nudge, but certainly not to dictate.

Senator McClure. Senator Burdick.

Senator Burdick. Thank you, Mr. Chairman.

In the past 2 years, the nature of the partnership between State and Federal support for the arts has shifted slightly, NEA appropriations have been reduced, while State appropriations for the arts have continued to grow, although at a slower rate.

What do you think should be the direction of this partnership in the future?

Mr. Hodsoll. Well, I think that the arts need all parts of the partnership to do everything that they can, Senator Burdick, in terms of supporting the arts. There's just no question about that. The junior partner in all of this is Government. We are at about the 17-percent range in terms of total unearned income that's available to the arts. When I talk about "government" here I'm talking about Federal, State, and local government, not just the Federal Government.

I think that we are also going into tighter economic times in the 1980's. Most economists agree that we're going to have slower growth, and the like. What that means is that each of the partners has to do everything it can to exercise both leadership and provide funds in a way that will be maximally effective.

Now that sounds like a lot of gobbledygook, and it is, in a general sense. On the other hand, as you go through it institution by institution, I think that it means that we're going to have to be selective and try to pinpoint those areas where we can operate best.

Senator BURDICK. Well, I'd still like to know if the greater emphasis should come from the States than has been in the past. Let's put it that way.

Mr. HODSOLL. I think that different States will decide that differently, depending upon their own priorities. Certainly from my perspective, I would hope that States would increase their funding for the arts, and in fact, the trend has been steadily up: even in fiscal 1983, appropriations are slightly up from fiscal 1982, in the 4-percent range, notwithstanding harder economic times out there.

My guess is that in most States the basic division, of support as between the Federal and State government will likely remain roughly on a par over the next several years.

Senator BURDICK. You've often spoken of your interest in encouraging the arts through education.

How do you see the NEA program, artists in education involved in larger education schemes?

Mr. HODSOLL. Well, we're beginning to get at that. As you know, Senator, it's an enormous issue, and we're a very small agency concerned with the arts as such.

What we have done is—and this gets back to the chairman's question with regard to special projects—is to take roughly $100,000 from our research budget and put it into a study which we're undertaking with the Department of Education and others to try and get a better sense of the state of arts education. One has a lot of anecdotes, but one doesn't have a very clear idea.

Second, we've been talking with one or two of our National Council members and some others about trying to demonstrate in discrete areas a political process that might translate the Lou Harris poll of 1980, which says that 93 percent of the people want more arts education, into reality, because ultimately those decisions are made at the local level by local school districts, school boards and the like. We're looking to see whether or not we can influence some people in that direction.

Third, we've been discussing the possibility of a television program in arts education similar to "3-2-1 Contact in Science" because of the need to get people interested in art and also because "3-2-1 Contact" has had a rather extraordinary record of reaching something like 23 million people in the course of its 1 year of operation. Second, there has been an increase in science curriculum in the schools following that programing.

We don't know whether one was the result of the other, but it, in fact, has happened. So we are looking at the feasibility of doing something like that. That's what we're doing at the moment.

Senator BURDICK. That's all I have, Mr. Chairman.

## ADDITIONAL COMMITTEE QUESTIONS

Senator MCCLURE. Thank you very much, Senator Burdick, and thank you, Mr. Hodsoll and your friends at the table today. I appreciate your testimony. We will have some additional questions to submit for answers in writing.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

*Question.* The President's Committee on the Arts and Humanities is budgeted for $221,393 in both fiscal years 1983 and 1984. Do you know how much the committee has spent to date?

Answer. Expenditures through March 17, 1983, on behalf of the President's Committee on the Arts and Humanities totaled $63,374. This amount included $50,485 in expenditures under those administrative contracts covering the salaries of three committee employees, and $12,889 in other administrative expenses including salary of the committee Executive Director, travel, and printing. An additional $43,862 is currently obligated under these three administrative contracts through Septebmer 30, 1983, but has not yet been expended. Total obligations to date, therefore, total $107,236 ($63,344 plus $43,862).

*Question.* Do you have any explanation as to exactly how these funds will be spent?

Answer. The fiscal year 1983 and fiscal year 1984 budget estimates for the President's Committee on the Arts and Humanities is as follows:

| Object class | Fiscal year 1983 | Fiscal year 1984 |
|---|---|---|
| 1100—Personnel | $48,553 | $48,553 |
| 1200—Personnel benefits | 5,040 | 5,040 |
| 2100—Travel | 9,000 | 9,000 |
| 2200/2330—Transportation/postage | 2,000 | 2,000 |
| 2310—SLUC | 14,000 | 14,000 |
| 2321—Telephone | 4,000 | 4,000 |
| 2400—Printing | 17,000 | 17,000 |
| 2500—Contractual services | 118,800 | 118,800 |
| 2650—Supplies | 3,000 | 3,000 |
| Total | 221,393 | 221,393 |

The $118,800 budgeted for contractual services covers, as noted, salaries for the three employees of the committee. When added to the $48,553 in actual personnel expenses and $5,040 set aside for personnel benefits, a final amount of $172,393 is slated to be spent for staff salaries.

The remaining amount, $49,000, is divided, as shown in the budget, between travel, postage, SLUC, and similar administrative expenses associated with carrying out the President's Executive order.

*Question.* If the Committee were to spend less than its allocation, would the excess funds be returned to the Treasury or would the Endowment use such funds to bolster its administrative budget?

Answer. In order to provide the allocation of $221,393 for the President's Committee, corresponding cuts and assumptions were made within the object classes of the National Endowment for the Arts regular administrative budget of $12,600,000. In the event that the committee spends less than its allocation the funds would not be considered excess and consequently will be utilized in those areas from which the cuts were originally made. There is unlikely, in any event, to be any excess from the President's Committee budget. It has been pared down considerably from original estimates.

*Question.* In the detail of permanent positions submitted last year, the Endowment showed total permanent positions for fiscal year 1983 at 260. This year's submission shows the 1983 level at 277. Seven of these additional positions are GS–15's. Can you explain the disparity between the two submissions?

Answer. In the detail of permanent positions submitted each year, the positions referenced by the National Endowment for the Arts are only those classified as full-time permanent (FTP). In previous years the Endowment had separate ceilings for full-time permanent and for part-time permanent staff. During fiscal year 1983 this practice was altered by OMB, permitting the NEA to set its own levels for each classification within its overall ceiling of 265 FTE. (The Endowment commenced with converting its part-time employees during fiscal year 1983, and anticipates finishing the conversion in fiscal year 1984.) The 260 positions requested in fiscal year 1983 are the 260 full-time permanent positions out of a 277 FTE ceiling.

The current schedule, completed by a different analyst, displayed all 277 FTE positions as full-time permanent, consistent with the assumptions used for fiscal year 1984, although not consistent with the prior year submission. There is, therefore, no discrepancy between the two schedules and actual numbers of personnel, only in the assumptions as to which positions would be included.

As for the seven position increase in the GM–15/GS–15 positions, this increase is due mainly to filling vacancies that occurred in fiscal year 1982 due to the change of administration. Specifically, many Program Director positions were vacant during most of fiscal year 1982 and have been subsequently filled.

*Question.* Please supply the relevant portion of NEA's authorizing legislation relating to Davis-Bacon wage rates (as mentioned by Mr. Hodsoll in the hearing.)

Answer. There are two subsections under section 5 of NEA's authorizing legislation that pertain to wages, subsection (i) relating to the prevailing minimum compensation, and subsection (j) relating to the Davis-Bacon Act.

(i) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel (other than laborers and mechanics with respect to whom labor standards are prescribed in subsection (j) of this section) employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of the subsection.

(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that all laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this subsection the authority and functions set forth in Reorganization Plan No. 14 of 1950 (15 F.R. 3176; 5 U.S.C. 913) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

*Question.* Please supply a copy of the revised guidelines for the theatre program.

Answer. During the hearings, Senator McClure questioned a reference to a possible change in theater program guidelines which was made in the National Endowment for the Art's report to Congress on the use of Treasury funds. The possible change consisted of emphasizing as a principal focus of grants to theater companies the compensation of artists. At the time the report was written, the possible guidelines change had not been drafted but only was being explored. As of this date, guidelines have not been revised, nor have changes been discussed formally.

### SUBCOMMITTEE RECESS

Senator McCLURE. I appreciate your appearance here today.

Mr. HODSOLL. Thank you very much, Mr. Chairman, for your interest and your time.

Senator McCLURE. Yes, sir.

The subcommittee will stand in recess until Wednesday, March 9, at 2 p.m., at which time, we will review the budget estimates for the National Park Service.

[Whereupon, at 2 p.m., Tuesday, March 8, the subcommittee was recessed, to reconvene at 2 p.m., Wednesday, March 9.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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WEDNESDAY, MARCH 9, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:20 p.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Huddleston.

## DEPARTMENT OF THE INTERIOR

### NATIONAL PARK SERVICE

### STATEMENT OF RUSSELL E. DICKENSON, DIRECTOR

ACCOMPANIED BY:

- DANIEL E. SALISBURY, ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT AND DATA SYSTEMS
- JAY L. SAHD, NPS BUDGET OFFICER
- KRISTINE M. MARCY, DEPUTY DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

### BUDGET REQUEST

Senator McCLURE. The committee will come to order.

This is the time schedule to review the fiscal year 1984 budget request for the National Park Service, not including the land acquisition programs, which will be reviewed on April 27.

The Service's fiscal year 1984 budget request totals $737,080,000, a decrease of $172,414,000—minus 19 percent—from fiscal year 1983 appropriations to date. The Service also has pending before the committee pay supplementals totaling $9,276,000 and a rescission proposal totaling $63,600,000.

We should make some comparability adjustments, in order to put your proposal in the proper focus. Excluding land acquisition funding levels and taking into consideration the various financing and rescission proposals for Park Service roads, your fiscal year 1984 estimate is actually an increase of about $4 million over fiscal year 1983.

The lead witness today will be Mr. Russ Dickenson, Director of the National Park Service.

## PREPARED STATEMENT

Mr. Dickenson, your entire statement will be inserted in the record at this time. If you would introduce your colleagues for us you may proceed to highlight your statements for us, as briefly as you can, please, so that we may proceed with some questions.

Mr. DICKENSON. Thank you, Mr. Chairman. Immediately on my left is Dan Salisbury, who is an Assistant Director for our Financial Operations, and on his left is Mr. Jay Sahd, the National Park Service Budget Officer.

[The statement follows:]

## STATEMENT OF RUSSELL E. DICKENSON

I appreciate the opportunity to appear before this subcommittee to discuss the fiscal 1984 budget of the National Park Service.

In the 2 years since I first appeared before this subcommittee as Director of the National Park Service, we have accomplished much towards improving the management and operation of the National Park System.

- Through an aggressive Park Restoration and Improvement Program, initiated by Secretary Watt in 1982, we have made significant progress toward correcting deficiencies in park facilities which had been cited in reports by the General Accounting Office and the media. To date, $408 million has been programmed under this initiative for more than 2,000 projects. The program has produced major improvements to water and sewer systems, comfort stations, public buildings, and park roads and trails. It has permitted an accelerated program of cultural resources preservation work, and beginning in fiscal 1983 with additional funds provided by this subcommittee, we increased our ability to address significant natural resources problems as well.

- We have implemented a systematic approach to resources management based on park-specific management plans which enables us to use more efficiently our available staff and funding to solve critical management problems. We are increasing the professional caliber of our field personnel by training 37 Natural Resources Management Specialists, and we have expanded our baseline research and data collection activities to gain a better understanding of the current condition of park resources.

- Through the land protection planning process, we are identifying alternatives to Federal purchase of park lands which should enable us to meet preservation and protection goals in 205 parks in a timely manner with anticipated savings to the taxpayer.

- We are in the process of streamlining our Regional and Washington Office operations to improve efficiency and redirect resources to field operations.

- We are looking at innovative ways to provide quality services and facilities to the public at little or no cost to the taxpayer.

The progress we have made in these areas would not have been possible without the support and assistance of you, Mr. Chairman, and the Members of this subcommittee. Your interest in the National Park System and commitment to its continued excellence have helped this nation develop a system of 334 parks which is a source of pride to all Americans.

The General Accounting Office recently completed a follow-up study, in which they cited the substantial progress made towards correcting health and safety deficiencies in park facilities. Mr. Chairman, we are proud of this accomplishment. It represents the combined efforts of this subcommittee and hundreds of dedicated professionals throughout the National Park Service.

The 1984 budget of the National Park Service will provide the funding needed to continue the important accomplishments I mentioned a moment ago. I believe it represents a "balanced approach" to dealing with the serious problems of managing the National Park System during this time of fiscal constraint. The budget reflects the Service's continuing emphasis on repairing and improving park facilities, preserving park resources, and providing a quality experience to the visiting public.

We are requesting $153.3 million under the "Construction" and "Operation of the National Park System" accounts to continue the Park Restoration and Improvement Program in 1984. These funds will be used for:

- 36 construction projects in 29 parks primarily to correct health and safety related deficiencies.

- 600 Health and Safety projects in 156 parks to complete minor repairs to water and sewer systems, public buildings, campgrounds, trails and walks.

- 129 Cultural Resources Preservation projects in 72 areas to stabilize historic structures, inventory and conserve museum objects and complete needed management guidelines.

In addition, funds will be used for hundreds of cyclic maintenance projects to ensure that the gains made to date are lasting ones.

The $153.3 million request for the Park Restoration and Improvement Program from National Park Service appropriations will be supplemented by $100 million authorized for road rehabilitation and construction under the Surface Transportation Act of 1982.

We have also included funding under the Park Restoration and Improvement Program initiative for significant natural resources problems. Last year, this subcommittee expressed its concern over the condition of the natural resources of the parks by adding $10.0 million to the Service's budget to improve Resources Management Programs. I am pleased to report that beginning in 1983, in addition to those projects specifically identified by the Congress, we plan to use these funds to address the significant natural resources problems of the National Park System. We will be meeting shortly after these hearings to develop a Servicewide Program for dealing with these problems in fiscal 1983 and beyond. We do not view this as a "crash program" to attack all possible threats to park resources, but rather a long-term effort to better understand the complex problems we are facing and what realistic options are available for positive action.

As I mentioned earlier, the fiscal 1984 budget reflects a balanced approach to park operations. Notwithstanding our concern with the quality of park facilities and resources, we will continue to provide the high quality of service the visiting public has come to expect.

This subcommittee added funding to the Service's budget in 1983 reflecting a belief that inflationary pressures were eroding the traditional high standard of service to the public. Those funds are being used in the parks to maintain programs and services during the peak visitor season. Let me assure you, Mr. Chairman, that our shared concern for the visiting public has not been overlooked in the fiscal 1984 budget. We are requesting additional funds for Seasonal Rangers to carry out interpretation and visitor protection activities and to improve Resources Management Programs in the parks.

At this time, I would like to briefly highlight the budget request for the National Park Service by appropriation.

## Operation of the National Park System

The fiscal 1984 request for Operation of the National Park System is $599.8 million, an increase of $32 million over the 1983 appropriation. A portion of the increase is due to the shift of $9.9 million for National Recreation and Preservation Programs into this account. Previously, these programs were funded as a separate appropriation. I will go into more detail on this portion of the budget during the hearing in May. The balance of the increase, $22.1 million, consists of the following:

-- $18.5 million for pay increases authorized in 1983.

-- $6.7 million for mandatory increases in Administrative Expenses, including Unemployment Compensation, Federal Telecommunications Services, GSA Space Rental, Postage, and similar costs.

- $4.7 million to upgrade information and interpretive programs and enhance visitor protection activities primarily by increasing the number of Seasonal Rangers by about 350.

- $8.7 million in maintenance to cover the increased cost of equipment, utilities, supplies, and materials.

- $2.8 million for resources management including $0.2 million for acid rain research, $0.9 million for cultural resources management, and $1.7 million for research, monitoring, and management programs relating to natural resources.

- $2.0 million for National Register Programs to enable the Service to meet increased responsibilities resulting from the elimination of Federal support for State Historic Preservation Programs.

These increases are offset by reductions totaling $21.3 million for lower priority programs which the Service proposes to curtail or eliminate in 1984.

## Construction

The Service is requesting $78.3 million for Construction in fiscal 1984, $80.8 million less than the fiscal 1983 appropriation. The proposed program includes 36 projects in 29 areas which will upgrade water and sewer systems, improve fire protection and electrical systems, rehabilitate National Park Service owned concession facilities, and preserve historic buildings. The amount of the fiscal 1984 request is less than the fiscal 1983 appropriation in part because no road related construction is included in the program. Those projects will be covered by the Surface Transportation Assistance Act of 1982 (P.L. 97-424) which authorizes $100 million in fiscal 1984 for National Park Service road rehabilitation and construction to be funded from the Highway Trust Fund. This Act also made available $75 million in fiscal 1983. We are proposing to rescind $63.6 million for road projects appropriated in 1983 under the Construction account and instead use this Highway Trust money to accomplish the required work.

## John F. Kennedy Center for the Performing Arts

An appropriation of $4.3 million is requested for maintenance, security and interpretive services at John F. Kennedy Center for the Performing Arts, an increase of $0.1 million over the 1983 amount. The increase will cover the full year cost of the October 1982 Federal pay increase. The National Park Service currently shares these operating expenses with the Kennedy Center Board of Trustees.

## Land Acquisition and State Assistance

The amount requested for this appropriation in fiscal 1984 is $54.7 million. The requested amount provides funds to pay court awards relating to land acquisition in six recently authorized areas, general deficiency awards and relocation expenses, and administrative cost. No funds are being requested for new park land purchases. The budget also eliminates Grants-In-Aid to States, a reduction of $75.0 million from the 1983 appropriation.

## Historic Preservation Fund

No budget authority is requested for Historic Preservation Fund Grants in fiscal 1984. Direct Federal support for Historic Preservation will be limited to those properties which are part of the National Park System. Matching grants to States and to the National trust for Historic Preservation will be eliminated. The Administration has taken steps to encourage private sector involvement in the preservation of historic properties through the enhancement of economic and tax incentives.

I have described all of the National Park Service appropriations eventhough the Land Acquisition and State Assistance programs are the subject of a separate hearing on April 27, 1983.

Mr. Chairman, this concludes my prepared remarks. My staff and I will be happy to answer any questions you or other Members of the subcommittee may have.

### PARK RESTORATION AND IMPROVEMENT PROGRAM

Mr. DICKENSON. Just a few words, in the interests of your time and the committee's.

The aggressive park restoration and improvement program has certainly been one of the highlights of our operation for the past 2 years. I would simply like to mention to you that $408 million have been programed for 2,000 projects, and that this has produced a remarkable change in the face of the national parks, as it relates to the health and life safety issues that have formerly been among our major problems, in terms of meeting our cyclic maintenance and repair and rehabilitation needs, our cultural and natural resource preservation requirements under the park restoration and improvement program initiated by Secretary Watt. It has been an extraordinary achievement.

The Congress and this committee have fully supported that, and we're very, very grateful to you.

In terms of capital investment programs, the budget for the 1984 fiscal year, is aimed almost entirely at correcting further health and life safety features. One of those, however, is largely a resource management project in California, which we can cover later at your convenience. Overall, I would think that we're very, very pleased with the particular budget which the administration is presenting to you, and I think it covers most of the known needs that we have visualized in the National Park Service.

Senator MCCLURE. Thank you very much. We appreciate your summary and the statement that you have filed with us.

Senator Huddleston, do you have any comments or questions at this time?

Senator HUDDLESTON. Thank you, Mr. Chairman.

I want to be a little parochial, if I may be, for a few moments.

Senator MCCLURE. We've never been parochial here before.

### FEDERAL LANDS HIGHWAY PROGRAM AND CUMBERLAND GAP TUNNEL

Senator HUDDLESTON. Mr. Dickenson, I know you're aware of the new authorizations provided for the Federal lands highway program. Under the Surface Transportation Act of 1983 there were four major Federal parkways and highways which Congress had previously approved and on which work has been started, and they were identified as priority projects for highway trust funds: Cumberland Gap Highway relocation, Blue Ridge Parkway, the Foothills Parkway, and the Natchez Trace Parkway.

The Cumberland Gap Tunnel will complete, as you know, a key segment of the Appalachian Highway system, and I do not need to go into all of the reasons for which it has been considered to be a very important and priority project. It is very dangerous as it exists now. It interferes with the Cumberland Gap scenery itself and the potential for that park. The mountain is known locally, as you may know, as "Massacre Mountain," because there have been so many accidents and fatalities on that stretch of road.

It is my understanding that if the National Park Service will request the funds under the Federal land section of the highway trust fund, that this project could be accelerated with contracts totaling about $12 million being let to private firms within 90 days after the funds are appropriated.

Section 126 of the Surface Transportation Systems Act required an agreement between the Department of the Interior and the Department of Transporation for carrying out the Federal lands program.

Has the necessary agreement been executed at this time?

Mr. DICKENSON. I cannot speak accurately, Senator, on that, whether or not there has been execution, but I do know, internally, as far as the setting of servicewide priorities, that would be affected by the Federal highway trust fund. We expect to work with the regional directors in the month of April to set those nationwide priorities.

Now the 1983 fiscal year program is also being revamped, because of the introduction of the Federal highway trust fund over and above the 1983. And as you know, the administration is proposing a rescission in 1983 of appropriations for roads and trails, which causes us to go back and take a fresh look at it too.

I cannot be as responsive as I would like to your interest and to your question, but we are coming to grips with that right away.

Senator HUDDLESTON. I assume the Park Service will carry out the intent of Congress and proceed as quickly as possible in finalizing these necessary agreements. Have you had any conversations or dealing with the Department of Transportation in this regard?

Mr. SALISBURY. Senator Huddleston, not specifically on Cumberland Gap, necessarily, but we have been talking about projects with the Department.

Senator HUDDLESTON. I want you to start talking about Cumberland Gap.

Mr. DICKENSON. I regret I do not have that detail. There have been extensive conversations.

Senator HUDDLESTON. We were able to get Congress to agree that it was one of four high priority projects.

Mr. DICKENSON. We have too, sir. We identified that to the Federal Highway Administration as one of the four projects that qualified as new construction, as opposed to rehabilitation maintenance, simply because work was already under way.

Senator HUDDLESTON. We're going to spend the rest of the day, maybe the rest of the week on the Senate floor, dealing with jobs legislation. This would be a good little jobs bill in itself with the highway money available there.

Mr. DICKENSON. I assure you it is a marvelous opportunity to move forward on this project.

Senator HUDDLESTON. I thank you very much.

Senator MCCLURE. I might say for the record that I share Senator Huddleston's concern about the Federal lands program and the need to establish an agreement with the Department of Transportation to carry out the needed work on these four projects. We worked on the Cumberland Gap project for many years, and there is no doubt that it is a worthwhile project and one that needs to be completed.

Will you please provide the committee with a copy of the agreement that is signed and a work schedule for work on these four projects?

Mr. DICKENSON. Yes, indeed, we will be glad to provide that.

[The information follows:]

## FEDERAL LANDS HIGHWAY PROGRAM

The interagency agreement between the National Park Service (NPS) and the Federal Highway Administration (FHWA) required by Public Law 97–424 is currently being circulated for review in draft within both agencies. It is planned for finalization in April 1983. We will provide a copy of the agreement to the committee after it is approved and signed.

The current estimates of additional funding needed to complete work on the four parkways are as follows:

| | |
|---|---|
| Cumberland Gap National Historical Park (scheduled over 7 years) | $150,000,000 |
| Foothills Parkway (scheduled over 8 years) | 136,000,000 |
| Blue Ridge Parkway (scheduled over 2 years) | 10,000,000 |
| Natchez Trace Parkway (scheduled over 5 years) | 120,000,000 |
| Total | 416,000,000 |

The Service is currently in the process of finalizing our 1983 through 1986 Federal lands highway program project listing and accomplishment schedule. It will be made available to the committee after a final program has been approved.

Although Public Law 97–424 does not place maximum or minimum funding levels for new construction or repair and reconstruction work based upon a comprehensive 1981 Federal Highway Administration study, the Service estimates that approximately $800 million is needed for 4R work (resurfacing, rehabilitation, restoration, and reconstruction), and approximately $440 million in new construction has been identified. Consequently, because of high costs associated with roads in poor condition, the Service and the Federal Highway Administration have agreed that no more than one-third of the NPS portion of the Federal lands highway program funding should be spent on new construction. This means that the maximum which should be allocated toward the completion of the above-mentioned parkways is $124 million.

In view of the funding situations and the critical need to repair most existing park roads, sufficient funding is not available to complete the Cumberland Gap Tunnel and also continue ongoing work on the Foothills, Blue Ridge, and Natchez Trace Parkways. Upon finalization of the full 4-year Federal lands highway program, the Service will be able to state exactly what work can feasibly be programed for the Cumberland Gap Tunnel and the three other parkways under this authorization.

With respect to the National Park Service's capability to execute additional construction on the Cumberland Gap Tunnel, the Federal Highway Administration has completed design for the two bridges and approach road on the Kentucky side of the tunnel. They have indicated that if funding in the amount of $14 million were made available, a construction contract could be awarded within 90 days.

### CONTINUING RESOLUTION

Senator McClure. Before we turn to new business, we need to cover some old business.

The continuing resolution for fiscal year 1983 provided that programs, projects, and activities funded in fiscal year 1982 were to be continued essentially unchanged in fiscal year 1983 until Congress completed action on a fiscal 1983 appropriations bill.

I think you are familiar with that characterization.

Let me read to you from the contining resolution. It says:

> Such amounts as may be necessary for continuing the following activities not otherwise provided for, which were conducted in fiscal 1982 under the current terms and conditions at a rate to maintain current operating levels, including those activities conducted pursuant to section 67 of the Energy Policy and Conservation Act as amended, with a proviso at the end of that section that says that "provided no programs or facilities funded therein may be terminated, unless such termination is specifically approved in the appropriations process, including reprograming."

Are you familiar with that language from the continuing resolution?

Mr. Dickenson. Yes, sir.

### YOSEMITE NATIONAL PARK—VISITOR TRANSPORTATION SYSTEM

Senator McClure. In the first few months of fiscal 1983, while the Congress worked almost continuously producing a new funding bill, we understand that the Service canceled a contract with ARA Transportation, Inc., that provided a visitor transportation system at Yosemite National Park. The reason cited for this cancellation was the lack of available funds for continuing the contract.

Before you attempt to explain that action, I want you to know that this particular topic occupied quite a lot of our time in that lame duck session. The budget request proposed eliminating those funds. The House rejected the proposal, keeping those funds available. The full Senate Appropriations Committee decided to eliminate all funding for visitor transportation system, something over $4 million.

The conference committee, however, was not persuaded that the Service had a workable proposal. While not disagreeing with the proposal in principle, the conference committee restored all funds, including those for Yosemite, and directed the Service to do its homework more thoroughly before submitting its next proposal.

And I read from the conference report in that regard that says:

> The managers agree that any proposals to reduce the visitor transportation program shall be accompanied by an analysis which addresses, at a minimum what parks would be affected, how they would be affected and how the needs of the visitors would be met.

It seems to me, Mr. Dickenson, that perhaps you owe the Congress an explanation of why that contract was terminated, when and how.

## YOSEMITE NATIONAL PARK TRANSPORTATION SERVICE

Mr. DICKENSON. Mr. Chairman, let me first state that the transportation service within Yosemite Valley has been continued at a level to fully meet the needs and requirements associated with the use of those facilities, and the arrangement with ARA was continued to the termination of the short-term contract, which we had with them, and subsequent to that, visualizing other arrangements, we did not renew that contract and now operate the system with National Park Service employees.

Now the long-term arrangement that we visualize there, which will continue the service at a high level in a completely satisfactory manner, is to to resume that operation under the existing concessioner. The ARA was not a concessioner at that time operating other services or facilities within Yosemite. And to provide a different mechanism for funding that service, as opposed to the appropriation process, we are in the process right now of negotiating an arrangement with the Yosemite Park and Curry Co., so that the cost of operation can be shared by all of the visitors to that valley through a surcharge on concessioner sales, overnight accommodations, meals, and other types of concessioner activities.

So again, I reassure you there is no discontinuance of that service. It is at the normal regular required level, and all that we are dealing with here are the different kinds of funding and logistical arrangements to provide the service.

Senator MCCLURE. The information I have is that that contract, by its terms, extended through fiscal year 1983, subject to the availability of funds.

Mr. DICKENSON. I cannot really personally comment on that. I know the decision was made to terminate that at a logical point that had been written into the contract.

Senator MCCLURE. I am sure you must be aware of the discussion that Congress was having about that specific contract.

Mr. DICKENSON. Certainly, sir.

Senator MCCLURE. I think every factor you mentioned here was discussed at that time.

Mr. DICKENSON. Visualizing the long-term arrangements required, and the overriding factor of the administration and the Secretary's desire to work toward a different sort of funding arrangement were the predominant administrative factors in the decision to terminate the contract.

## GENERAL COUNSEL'S OPINION

Senator MCCLURE. Do you have a general counsel's opinion as to the legality of your action?

Mr. DICKENSON. Yes, sir.

Senator MCCLURE. Would you provide that for the record?

Mr. DICKENSON. Yes, sir.

[The information follows:]

### ARA CONTRACT TERMINATION

At the time the ARA contract was terminated, the National Park Service received a verbal opinion from the Solicitor's Office that the action to terminate was legal. Subsequently, the field solicitor, San Francisco, received and approved for legal sufficiency the settlement agreement for the termination of the ARA contract. The settlement agreement is as follows:

MARCH 23, 1983.

To: Lars Hanslin, Parks and Recreation Branch, Division of Conservation and Wildlife.
From: Field solicitor, San Francisco.
Subject: ARA Transportation, Inc.—Settlement agreement.

Enclosed at your request are copies of the settlement agreement between the National Park Service, Western region, and ARA Transportation, Inc., and the accompanying legal review sheet. If you have any questions about these documents, please telephone me at FTS 556-8807.

RALPH G. MIHAN, *Field solicitor.*
By WILLIAM SILVER, *Attorney.*

COPY

STANDARD FORM 30, JULY 1966
GENERAL SERVICES ADMINISTRATION
FED PROC REG (41 CFR) 1-16.101

# AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

PAGE 1 OF 4

1. AMENDMENT/MODIFICATION NO. 4

2. EFFECTIVE DATE 3/1/83

3. REQUISITION/PURCHASE REQUEST NO.

4. PROJECT NO. (If applicable)

5. ISSUED BY CODE
National Park Service, Western Region
450 Golden Gate Avenue, Box 36063
San Francisco, California 94102

6. ADMINISTERED BY (If other than block 5) CODE

7. CONTRACTOR CODE FACILITY CODE
NAME AND ADDRESS (Street, city, county, state, and ZIP Code)
ARA Transportation, Inc.
1121 "N" Street
Newman, California 95360

8.
☐ AMENDMENT OF SOLICITATION NO. ____
DATED ____ (See block 9)
☒ MODIFICATION OF CONTRACT/ORDER NO. CX8000-2-0021
DATED 5/4/82 (See block 11)

9. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS
☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.
Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, or as amended, by one of the following methods:
(a) By signing and returning ____ copies of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If, by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

10. ACCOUNTING AND APPROPRIATION DATA (If required)
8802-1071-139 $15,700.00 Increase

11. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS
(a) ☐ This Change Order is issued pursuant to ____
The Changes set forth in block 12 are made to the above numbered contract/order.
(b) ☐ The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc.) set forth in block 12.
(c) ☒ This Supplemental Agreement is entered into pursuant to authority of Government Furnished Property - FPR 1-7.303-7(a), Termination for Convenience of the Government FPR 1-8.701
It modifies the above numbered contract as set forth in block 12.

12. DESCRIPTION OF AMENDMENT/MODIFICATION

GENERAL INTENT

The purpose of this modification is to provide for a full and complete equitable adjustment resulting from the issuance of Modification No. 2 relating to Government Furnished Property (GFP) and the issuance of a Termination For Convenience Notice.

This supplemental agreement of settlement, entered into this 31 day of October, 1982, between the United States of America (hereinafter called "The Government") represented by the Contracting Officer executing this contract, and ARA Transportation, Inc., corporation organized and existing under the laws of the State of California (hereinafter) called "the Contractor").

Witnesseth that:

Whereas, the Contractor and the Government have entered into Contract No. CX 8000-2-0021 under date of May 14, 1982, which, together with any and all amendments, changes, modifications, and supplements thereto, is hereinafter referred to as "the contract"; and

CONTINUED ON NEXT PAGE

Except as provided herein, all terms and conditions of the document referenced in block 8, as heretofore changed, remain unchanged and in full force and effect.

13. ☐ CONTRACTOR/OFFEROR IS NOT REQUIRED TO SIGN THIS DOCUMENT ☒ CONTRACTOR/OFFEROR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 2 COPIES TO ISSUING OFFICE

14. NAME OF CONTRACTOR/OFFEROR
BY ____ (Signature of person authorized to sign)

17. UNITED STATES OF AMERICA
BY ____ (Signature of Contracting Officer)

15. NAME AND TITLE OF SIGNER (Type or print)
William Brunette
Area Vice President

16. DATE SIGNED 3/21/83

18. NAME OF CONTRACTING OFFICER (Type or print)
Gerald H. Lundblad

19. DATE SIGNED 3/23/83

Whereas, the Termination for Convenience of the Government clause of the contract provides that the performance of work under the contrect may at the convenience of the Government be terminated by the Government in whole, or from time to time in part, whenever the Contracting Officer shall determine that such termination is in the best interest of the Government, and that the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid to the Contractor by reason of such termination; and

Whereas, by notice of termination dated October 13, 1982, the Government advised the Contractor of the complete termination of the contract for the convenience of the Government at the completion of business on October 31, 1982; and

Whereas, as used herein, the following terms shall have the meanings hereinafter set forth:

(a) The term "termination inventory" means any items of physical property purchased, supplied, manufactured, furnished, or otherwise acquired for performance of the contract and properly allocable to the terminated portion of the contract. The term does not include any facilities, materials, production or other equipment, or special tooling, which are subject to a separate contract or a special contract provision governing the use or disposition thereof. Termination inventory may include contractor-acquired property and Government-furnished property as defined below.

(1) "Contractor-acquired property" means property procured or otherwise provided by the Contractor for the performance of a contract, whether or not the Government has title by the terms of the contract or exercises its contractual right to take title.

(2) "Government-furnished property" means property in the possession of or acquired directly by the Government, and subsequently delivered or otherwise made available to the Contractor.

(b) The term "subcontract" means any contract, as defined in & 1-1.208 of the Federal Procurement Regulations (41 CFR 1-1.208), other than a prime contract, entered into by a prime contractor or a subcontractor, calling for supplies or services required for the performance of any one or more prime contracts.

(c) The term "scrap" means property which has no reasonable prospect of being sold except for the recovery value of its basic material content.

Now, THEREFORE, the parties hereto do mutually agree as follows:

Article 1. The Contractor certifies that all contract termination inventory (including scrap) has beer retained or otherwise acquired by him, sold to third parties, returned to suppliers, stored for the Government, delivered to the Government, or otherwise properly accounted for, and all proceeds or retention prices thereof, if any, have been taken into account in arriving at this agreement.

Article 2. (a) The Contractor certifies that, prior to the execution of this agreement, each of the Contractor's immediate subcontractors whose claim is included in the claim settled by this agreement has furnished to the Contractor a certificate stating (1) that all of his subcontract termination inventory (including scrap) has been retained or otherwise acquired by him, sold to third parties, returned to suppliers, stored for the Government, delivered to the Government, or otherwise properly accounted for, and all proceeds or retention prices thereof, if any, were taken into account in arriving at the settlement of the subcontract or subcontracts, and (2) that the subcontractor has received from each of the immediate subcontractors whose claim was included in his claim a substantially similar certificate.

(b) The Contractor hereby transfers and conveys to the Government all the right, title, and interest, if any, which the Contractor has received, or is entitled to receive, in and to subcontract termination inventory, if any, not otherwise properly accounted for, and hereby assigns to the Government any and all of his rights relating thereto.

Article 3. The Contractor certifies that, with respect to all items of termination inventory the costs of which were taken into account in arriving at the amount of this settlement, or in the settlement of any subcontract claim included in this settlement: (a) all such items are properly allocable to the terminated portion of the contract; (b) such items are not in excess of the reasonable quantitative requirements of the terminated portion of the contract; (c) such items do not include any items reasonably usable without loss to the Contractor, on his other work; and (d) the Contractor has informed the Contracting Officer of any substantial change in the status of such items between the dates of his termination inventory schedules and the date of this agreement.

Article 4. In all cases where the Contractor has not previously made such payments, the Contractor shall, within ten (10) days after receipt of the payment provided for hereunder, pay to each of his immediate subcontractors (or to their respective assignees) the respective amounts to which they are entitled, after deducting, if the Contractor so elects, any amounts then due and payable to the Contractor by such subcontractors.

Article 5. (a) The Contractor has received the sum of $654,135.06 on account of work and services performed, or articles delivered, under the completed portion of the contract. The Government as part of this negotiated settlement hereby confirms and acknowledges the right of the Contractor, subject to the provisions of Article 6 hereof, to retain such sum heretofore paid and agrees that such sum constitutes a portion of the total amount to which the Contractor is entitled in settlement of the Contract.

(b) In addition, upon execution of this agreement the Government agrees to pay to the Contractor or his assignee, upon presentation of proper invoices or vouchers the sum of $15,700.00 arrived at by deducting from the sum of $15,700.00 (1) the amount of $-0- representing all unliquidated partial or progress payments previously made on account to the Contractor or his assignee and all unliquidated advance payments (with interest, if any, thereon), and (2) the amount of $-0- representing all applicable property disposal credits and (3) the amount of $ -0- representing all other amounts due the Government under this contract except as hereinafter provided in Article 6. Said sum of $15,700.00 together with all other sums heretofore paid, constitutes payment in full and complete settlement of the amount due the Contractor by reason of the complete termination of work under the contract and of all other claims and liabilities of the Contractor and the Government under the contract, except as hereinafter provided in Article 6.

Article 6. Notwithstanding any other provision of this agreement, the following rights and liabilities of the parties under the contract are hereby reserved:

(a) All rights and liabilities of the parties under the contract relating to covenants of insurance and indemnity..

(b) All rights and liabilities of the parties under the contract with respect to any and all Government property furnished to the Contractor for the performance of this contract.

(c) All rights and liabilities of the parties arising under the contract, or otherwise, concerning defects in, or guarantees or warranties relating to, any articles or component parts furnished to the Government by the Contractor pursuant to the contract or this agreement.

(d) All rights and liabilities, if any, of the parties under those clauses inserted in the contract because of the requirements of statutes and Executive orders, including without limitation, any applicable clauses relating to the following topics: labor law, contingent fees, domestic articles, employment of aliens, and "officials not to benefit."

NATIONAL PARK SERVICE
WESTERN REGION
LEGAL REVIEW

INITIATING OFFICE

National Park Service
Western Regional Office
450 Golden Gate Avenue, Box 36063
San Francisco, California 94102

TELEPHONE NUMBER: ________

APPROVED:

Chief, Division of Contracting
and Property Management

J. Lundblad

DOCUMENT CONTROL NUMBER LR-83-16

DATE: 3-10-83

DOCUMENT

☐ SOLICITATION NUMBER ________

☒ MODIFICATION NUMBER 4

☒ CONTRACT NUMBER CX8000-2-0021

☐ OTHER NUMBER ________

MAR 1983
UNITED STATES
DEPT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SAN FRANCISCO
FIELD OFFICE

INITIATOR'S COMMENTS

☒ PROCUREMENT DOCUMENT (14-1.352-2)

☐ PERSONAL SERVICES CONTRACTS (14-1.352-3)

☒ OTHER (SEE COMMENTS BELOW)

INITIATOR G. H. Lundblad
DATE 3-10-83

ATTORNEY'S COMMENTS

☒ LEGALLY SUFFICIENT

☐ LEGALLY SUFFICIENT SUBJECT TO COMMENTS (SEE BELOW)

☐ LEGALLY INSUFFICIENT (SEE COMMENTS BELOW)

ATTORNEY William Silver
DATE 3/15/83

COMMENTS

Termination for Convenience Settlement

COMMENTS

## CONGRESSIONAL NOTIFICATION OF CONTRACT TERMINATION

Senator McCLURE. Did you inform us of the action?

Mr. DICKENSON. It has not been finalized, but we intend to notify you, and we will. I am giving you advance information.

Senator McCLURE. When was it terminated?

Mr. DICKENSON. Several months ago now.

Senator McCLURE. You have not gotten around to notifying Congress yet?

Mr. DICKENSON. It was a logical termination, I emphasize——

Senator McCLURE. Aren't you aware of the provision in the law that you are not to terminate those actions until Congress has been notified?

Mr. DICKENSON. There was not termination of service.

Senator McCLURE. It was talking about termination of a contract.

## TRANSPORTATION SERVICE PROVIDED BY NATIONAL PARK SERVICE EMPLOYEES

Mr. DICKENSON. All of the equipment is Federally owned. The question that rises is how shall the drivers be provided, and in this case, following the termination of the ARA contract and pending the negotiation of the arrangement with the Yosemite Park and Curry Co., the service of driving and transportation is being provided by Federal employees.

Senator McCLURE. What is currently being done at Yosemite Park? You have all of the equipment being operated as it was before, but you are using Park Service employees now instead of ARA transportation?

Mr. DICKENSON. Yes; consistent with the time of year and the level of service normally provided.

Senator McCLURE. Who is providing the maintenance for the buses?

Mr. DICKENSON. The National Park Service.

Senator McCLURE. Was that covered in the earlier contract?

Mr. DICKENSON. The service was covered by the ARA at that time.

Senator McCLURE. So you have taken over the maintenance as well.

Mr. DICKENSON. That's right, for the time being.

Senator McCLURE. That was covered by that contract.

Mr. DICKENSON. As I emphasized, a short-term interim arrangement.

Senator McCLURE. That was a 2-year contract through 1983?

Mr. DICKENSON. It was an optional feature, as I understand it from my information here, and that is consistent with my information.

Senator McCLURE. The option, as I understand it, if the money was available, you would continue the contract. There was not any doubt that the money was available, was there?

Mr. DICKENSON. At that time there was no question that the money was available. We immediately spent those dollars to maintain the service with Federal employees.

Senator McCLURE. You're using park rangers, other employees to do the work that otherwise would have been done under that contract?

Mr. DICKENSON. No, sir. These are special drivers, not park rangers.

Senator McCLURE. Are they Park Service employees?

Mr. DICKENSON. Yes, sir. Hired for that specific purpose, pending the arrangement with the Yosemite——

Senator MCCLURE. How many employees are involved in providing that transportation?

Mr. DICKENSON. I would have to provide that specific——

Senator MCCLURE. How many Park Service employees are utilized in providing the maintenance for the transportation system?

Mr. DICKENSON. I will have to provide that also for the record.

[The information follows:]

### TRANSPORTATION SERVICES AT YOSEMITE

Presently, the National Park Service has eight employees providing transportation services at Yosemite. Two of the eight employes are employed as part-time maintenance persons and drivers.

### INCREASE IN EMPLOYEES

Senator MCCLURE. You come to this committee and ask for an increase of 82 full-time equivalent employees in fiscal year 1984, and yet you have diverted a number of employees into this transportation under what I think is very doubtful legal authority for you to do that.

Will you provide for me a complete set of chronologically arranged materials, park, regional, Washington, Assistant Secretary and Secretary's Office, as necessary, for the record to support the decision you have made?

Mr. DICKENSON. Yes, sir.

[The information follows:]

## TERMINATION OF ARA CONTRACT

The files in Yosemite National Park, Western Regional Office and the central office have been researched for material pertinent to the termination of the ARA contract to operate the Yosemite National Park Visitor Transportation System. The following material is provided:

| Date | Item |
|---|---|
| July 12, 1982 | Memorandum to all Regional Directors on the reduction of funding for visitor transportation systems in fiscal 1983. |
| July 15, 1982 | Western Regional Office task force prospectus of alternative financing of National Park Service Visitor Transportation Systems. |
| August 1, 1982 | Memorandum to Regional Director, Western Region response to task force prospectus. |
| October 13, 1982 | Letter to ARA Transportation, Inc., notifying them of termination of the contract to operate the visitor transportation system. |
| March 7, 1983 | Memorandum from Director to Regional Director, Western Region on Yosemite Visitor Transportation System. |
| March 23, 1983 | Memorandum from Field Solicitor to Washington Solicitor transmitting the March 1, 1983, settlement agreement between ARA and the National Park Service. |

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A8815

COPY

JUL 12 1982

Memorandum

To: All Regional Directors

From: Acting /Director

Subject: Visitor Transportation Systems

As you are aware, OMB requested a reduction, beginning in FY83, of $1,850,000, of ONPS VTS funding and proposed that the remainder of VTS funding be reduced in FY84. Most VTS systems were implemented as an alternative to costly road and parking facility construction, not as a service for visitor convenience and potential revenue. There are only a few of the systems that have potential as a service which could be profitably provided by a concessioner. Consequently, we must review all of our VTS systems critically to determine:

(1) those systems that can be terminated without additional cost.

(2) those systems that could be terminated if alternate facilities or services were provided (i.e., parking, roads, road patrols) and, if so, the estimated cost of the alternative facilities and services.

(3) those systems that cannot be terminated or curtailed, the reasons why not, the cost that must be absorbed to continue operations, and other options for funding, if any.

This review will be carried out in two stages as follows.

First: A draft statement for each known Visitor Transportation System has been prepared and is enclosed with this memorandum. Please review these critically, mark any corrections and return to WASO together with your recommendations as to the disposition of each system.

Second: A panel of knowledgeable managers will meet in late July to review these and recommend funding arrangements for those that are to be retained.

/s/
Ira J. Hutchison

## Biscayne National Monument

Basis - The monument headquarters and visitor contact center are located at the Homestead Bayfront Park, a state park on the mainland. The major visitor facilities and campground are located on Elliott Key, 9 miles across Biscayne Bay from the mainland headquarters.

The only Biscayne visitors who had access to the facilities on Elliott Key were the visitors with boats. In 1981, an experimental ferry boat service was implemented to provide access for visitors who did not have access to a private boat. The boat makes two round trips per day, on weekend days and holidays.

## Benefit

The ferry boat service was provided so that NPS could perform its mission responsibilities for public use of the national park areas. The service is a basic need rather than a park or visitor benefit.

The non-boating visitors who use the ferry service have a benefit over other visitors because they do not have the expense and responsibility of owning a boat.

## Equipment

The park is operating a maintenance work boat that was not being used full-time for maintenance work. The boat has been approved and certified for passenger use. (25 passengers)
Passenger boardings per year - present schedule capacity
10,000 boardings - 5,000 visitors
Annual funding - Estimated $30,000

This ferry service was approved as a transportation demonstration project to provide ridership data for a potential concession prospectus.

## User Fee Comments

Ferry boat round trip tickets could be sold at the mainland headquarters and collected when boarding the boat at the mainland dock.

Docking fees could also be charged at the Elliott Key marina for boaters who visit the Elliott Key development.

An alternative would be to charge all visitors an entrance fee when they arrive at the Elliott Key developed area.

## Operation and User Fee Opinion

This system should be continued and user fee program for the tour boat and the private boat use of the island marina should be implemented.

The proposed fees are:

Ferry Boat - Round Trip
  Adult - $2.00
  Children - $1.00
  Maximum for a family group - $5.00

Elliott Key Marina
  Weekends and Holidays
    8 AM to 4 PM - $1.00 per hour
    5 PM to 10 PM - $1.00 total
    24-hour pass - $5.00

  Weekdays
    $1.00 per day docking fee

The ferry boat operates on weekends only. With allowances for off-season (Sept. and Oct.), weather and equipment down time, the ferry service could generate approximately $6,000 per year revenue. The proposed island marina fees could generate 2 or 3 times that much revenue per year.

## Cape Cod National Seashore

Basis - The Coast Guard Beach and Nausit Light Beach, in the Eastham area of Cape Cod, have experienced serious storm and beach erosion that destroyed much of the parking areas. A transportation service was implemented in 1980 to transport visitors 1½ miles from an existing parking area at the high school to the beaches.

### Benefits

The transportation service is an alternative to the construction of new beach parking facilities.

### Benefits Classification

Park - economic, resource

### Equipment

The shuttle service has a contractor school bus that is operated seasonally. A contractor owns, maintains and operates the service.
Passenger boardings per year - Not available.
Annual funding - $41,000

### User Fee Comments

Residents as well as visitors use the system. Tickets would be sold at the Eastham Visitor Center and collected on the bus.

### Operation and User Fee Opinion

If a fee were charged, there would be serious objections from the nearby residents and there would be a lot of unauthorized parking near the beaches.

The total fees collected would be very limited and probably would not cover the cost of collection.

This area of Cape Cod could function without the shuttle service. However, there would be a need for excessive patrols, parking restrictions and possible limited public use.

## Carl Sandburg Home National Historic Site

Basis - There is a ½ mile restricted, uphill grade, historical driveway from the visitor contact and parking facilities to the historic home site. This driveway is not suitable for use by private vehicles. The condition of the historical driveway and the steep grade are beyond the physical capacity of many visitors, and a mix of pedestrians and private vehicles would be unsafe.

### Benefits

A small one-van shuttle service provides year-round, in-park visitor mobility and a popular interpretive program that is an alternative to the construction of an improved driveway, and a 10-stall parking area that would infringe on the historic setting of the Sandburg Home.

### Benefit Classifications

Park - economic, resource, interpretive
Basic Operation - access

### Equipment

One leased, 11-passenger, GSA motorpool van operated by park interpretive personnel. Vehicle is operated 12 months per year.
Passenger boardings per year - 37,000 (16,500 visitors)
Annual funding - $17,300

### User Fee Comments

The shuttle route is only ½ mile long. There would be a definite limitation on the amount of a user fee that would be acceptable. Currently there are no entrance or user fees at the park. However, an entrance fee or program fee at the home could be larger than a shuttle boarding fee and should be much more acceptable to visitors.

The GSA van lease and mileage (+ 6,000 miles per year) costs are approximately $3,000 per year that could be saved if this service were discontinued. The remainder of the cost is the interpretive personnel who would continue the interpretive program without the van. Also, there would have to be additional personnel, possibly new parking facilities near the home, trail maintenance, and other problems if the shuttle were discontinued. Until the trails and parking are suitable for public use without the shuttle service, this system is essential to the park operations.

## Colonial National Historic Park (Yorktown Battlefield)

Basis - The visitor transportation service was implemented in 1976 to supplement the use of private vehicles and commercial tour buses on the 6 mile scenic battlefield tour and to provide an interpretive tour for nonmotorist visitors.

### Benefits

The transportation service reduces the seasonal overcrowding of the limited parking facilities located at several of the major attractions, as well as provides an interpretive tour program.

### Benefit Classifications

Visitor - interpretive tour
Park - economic, interpretive
Basic Operation - nonmotorist

### Equipment

Three 25 passenger government owned buses, maintained by a commercial bus operator, and operated by park interpretive personnel. The system is operated seasonally.

1981 - Due to equipment problems and the special surrender activities, system was only operated for a few special tours.

Passenger boardings per year - Data not available
Annual funding - $3,000 (1982)--Fuel and incidental expenses only

### User Fee Comments

The small transit type buses and the tour concept of the transportation service have a user fee potential. Tickets could be sold at the visitor center for specific scheduled tours and collected by the driver.

For all practical purposes this system was discontinued last year and over 90% of the VTS funding was used for other purposes.

This system has a long history of equipment problems. If the equipment maintenance is satisfactory and if the 60% load factor of 1978 can be reestablished, this tour could be continued.

The cost of this system includes the interpreter-drivers who would probably remain on the staff if the system were discontinued.

A fee of $2.00 per visitor (approximately 30,000 visitors in 1980) should be acceptable. As an alternative, this system could be discontinued without any great impact on the park if the public refused to pay for the tour. The three NPS-owned buses could be sent to other areas where they could be used more advantageously.

## Cumberland Island National Seashore

Purpose - Cumberland Island NS is a barrier island without automobile access, located 7 miles by water from the visitor contact headquarters facility at St. Mary's. A ferry boat service is provided for the seashore visitors and staff. Visitors are charged a fee of $4 to use the service.

The 140-passenger ferry boat is being used at considerably less than its operating capacity. During the summer the ridership is limited to the capacity of the island resources and facilities. Off-season, there is only a limited public demand.

### Benefit Classifications

Basic Operation - access

### Equipment

One, 140-passenger ferry boat that is owned and operated by a contractor. The seashore provides interpretive personnel and assistance at the docks. The boat is operated 5 days per week, year-round.
Passenger boardings per year - 72,400 (36,200 visitors)
Annual funding - $146,800

### User Fee Comments

The 36,000 visitors could generate a potential $135,000 gross revenue with the increased fee of $4 that is under consideration. This gross amount would be 92% of the contract costs to furnish and operate the ferry boat. However, this fee goes to the general fund and the ferry boat service is provided by appropriated funds. In 1981, a fee of $2 for adults and $1 for children and senior citizens generated $50,899 in revenue.

### Opinion

In the future, when there are adequate facilities on the island and when there is a larger public demand, the existing boat could be used at its operating capacity (at least two times the present summer season use and possibly four to five times the off-season use).

There is a potential of a profitable commercial operation with fees that are from 2/3 to ½ of the proposed fees.

## Curecanti National Recreation Area

Basis - Curecanti NRA has three artifical lakes along the Gunnison River. Visitor activities are centered around the large, easily accessible Blue Mesa Lake that is the eastern half of the recreation area. Downstream from the Blue Mesa dam is the Morrow Point Lake. This lake is in a fiord-like canyon with a single trail access at the upper end of the lake, near Blue Mesa Dam.

Morrow Point Lake offers outstanding scenic values that were only available to visitors who handcarried small boats and canoes to the lake. As part of a cooperative program with Bureau of Reclamation (USBR) which manage the lands adjacent to the recreation area, the Service maintains and seasonally operates a boat that was furnished by USBR. The USBR is in the process of purchasing an additional boat because the public demand for the boat tour far exceeds the capacity of the present boat.

### Benefits

This boat tour provides an outstanding experience for a limited number of visitors.

### Benefit Classification

Visitor experience

### Equipment

One 60-passenger boat seasonally operating 2 10-mile tours per day.
Visitors boardings per year - Est. - 20,000 boardings (10,000 visitors)
Annual Funding - This system is being operated from park funds and there is no cost or ridership data available in the Washington Office.

### User Fee Comments

Tickets for reserved seats could be sold at a park contact facility and collected when boarding the boat.

## Opinion

This tour boat system has never been part of the VTS program, and the system has been funded from the ONPS funds, without specifically identifyng the cost of the system. It appears that since this system was implemented several years ago without being included in the old, separately funded VTS program, the regional office does not feel that the system is subject to the funding limitations and the evaluation for potential user fees as the other "older" visitor transportation systems.

Park management feels that the boat service is unique because it provides the only access to the lake. This rationale is the same as the basic rationale for most of the VTS systems. The only other alternatives are to prohibit public use or the construction of conventional facilities (in this case extensive resource damage resulting from blasting and grading a large boat launching area and an access road) to accommodate public use.

It is our opinion that this boat service is basically the same as the L.B.J. Ranch Tour, Wetherill Mesa at Mesa Verde, West-Rim Drive Tour at Grand Canyon, Mariposa Grove at Yosemite, etc. The system should be part of the VTS program and subject to the same consideration for a user fee as the other systems.

If all costs were considered, it is probably costing ± $40,000 to maintain and operate this system, $5,000 for depreciation, and $10,000 for related costs such as the pier, the reservation system, the telephone lines for the reservation system, and comfort station facilities.

The system seasonally operates 2 round trips a day for approximately 90 days. The estimated annual ridership is ± 10,000 visitors (20,000 one-way passengers).

This type of system and the service provided for a limited number of visitors could be a concession system or a park fee system. The demand for this system far exceeds the capacity.

A $3 fee would probably be acceptable and there would probably be enough demand at $3 for the proposed additional boat. This would result in $30,000 revenue for the existing boat and twice that amount when two boats are operating.

## Denali National Park

Basis - In 1972 when the new highway between Anchorage and Fairbanks was completed, visitation to Mt. McKinley suddenly increased from approximately 50,000 visitors per year (70% of which were nonmotorists who used the railroad for access to the park) to over 250,000. The private vehicle impact on the park was far more dramatic than the increased visitation (approximately 5,000 vehicles in 1971 increased to 75,000 vehicles in 1972). There is 85 miles of road from the entrance to Wonder Lake, approximately 65 miles of which is a gravel road. Several sections of the road are totally inadequate for the use of private vehicles. Beyond the developed areas within 12 miles of the park entrance, there are very limited visitor use facilities and practically no utilities.

On a few occasions, large numbers of private vehicles were allowed to use the road. There was an instant impact on the vegetation from the dust, and wildlife abandoned the road corridor within a few days.

All of the VTS systems have an energy conservation benefit. However, because of the long distances traveled at Mt. McKinley, the energy conservation benefit is outstanding. On peak demand days in July and August, 35 buses are operated a total of 5,000 miles and use 1,000 gallons of fuel. If private vehicles were used during a peak day, there would be 500 vehicles operating 75,000 vehicle miles and using 4,000 gallons of fuel.

The transportation systems are operated seasonally. The system has two destinations in the park, Eielson Center (70 miles each way), and Wonder Lake (85 miles each way). Also, there is a shuttle system that operates within the developed area (approximately 5 miles each way).

## Benefits

There has been no additional resource damage, no multimillion dollar construction program, no additional visitor use facilities, etc., in the natural area, that are a result of the VTS program. Yet, there are now 15 times as many visitors arriving at the park by private vehicles (15,000 in 1971 to 215,000 in 1981) as there were 10 years ago.

The cost of providing the transportation service is only a fraction of the depreciation, the maintenance, or the interest on the capital investment of constructing a 5-mile paved road in the natural area of the park.

The park or government benefits are so great that the outstanding visitor benefits of the transportation service are only incidental benefits.

## Benefit Classifications

Park - economic, resource
Basic Operation - access
Visitor - no driving responsibility; no auto expense or responsibility; outstanding scenic tour

## Equipment

Thirty-four 44 passenger school buses are leased from a school transportation contractor and maintained and operated under a service contract with the concessioner.

| | |
|---|---|
| Passenger boardings per year | 190,000 (95,000 visitors) |
| Annual funding | $1,271,000 |

## User Fee Comments

There is specific legislation prohibiting a transportation user fee at Denali. If the legislation were changed, tickets could be sold at the campgrounds, hotel, and headquarters and collected at the savage creek ranger station without interfering with the operating efficiency of the buses.

The concessioner charges a fee in excess of $20 for a similar service. The fee includes a box lunch. If the NPS could charge $15 per adult and $7.50 for children under 12 years old, the system would be self-supporting. In fact, at the above rates there would be no need for the system because the concessioner could expand his tour to accommodate all visitors who want to go beyond the Savage Creek Bridge. However, it would not be proper to force visitors to use a concessioner service to travel into the park's interior.

## Devils Postpile National Monument

Basis - As part of a cooperative program with the USFS a shuttle bus service is provided between the USFS Campgrounds, visitor contact and parking facility, to the monument, a distance of 10.5 miles. The road and monument parking is not suitable for use by private vehicles, nor do we have staff and facilities to serve visitors. System was implemented in 1980.

## Benefits

The operation of the Devils Postpile visitor transportation service was the economical alternative to the cost of improving 10.5 miles of roads to public use standards and the construction of an additional parking area at the monument. The road improvements and parking lot construction would have caused major resource impacts.

## Benefit Classifications

Park - economic, resource
Basic Operation - access

Equipment

Two GSA leased school buses are operated by park personnel seasonally.
Estimated passenger boardings per year - No data available in the Washington Office.

Annual costs buses - $-0-

User Fee Comments

It would be possible to collect a fee for the use of the transportation service at the USFS parking where the service originates. The fee should be a typical entrance fee rather than a transportation fee.

Opinion

Recently, Congress did not approve increased entrance fees so one alternative would be a transportation fee of $2. The other alternative would be to drop the cooperative program and reestablish the more costly separate NPS-USFS area managements.

## Dinosaur National Monument

Basis - (a) Shuttle System. The limited parking at the visitor center became totally inadequate to accommodate visitor parking during the park visitation season. Seasonally, the visitor center parking is closed and all visitors must use the remote parking 1/4 mile below the visitor center. A shuttle tram service is provided.

(b) Bus Tour. The substandard road to a historic ranch, 9 miles from the visitor center, cannot be safely used by visitors in private vehicles, and before the bus service was implemented the costs of maintaining and patrolling the road were excessive.

Benefits

The shuttle service is provided as an alternative to onsite parking that, due to the terrian, could not be constructed without extensive resource damage. The bus tour is an alternative to extensive road construction.

Benefit Classifications

Shuttle
  Park - economic, resource

Tour
  Park - economic
  Visitor - interpretive

Equipment

a. A jeep powered trailer train, owned and operated under a service contract with the park concessioner, is operated seasonnally.

b. A small bus, owned and operated under a contract with the concessioner, is operated seasonally.
Passenger boardings per year 125,000 (62,500 visitors)
Annual Funding $50,000

User Fee Comments

Shuttle - The design of the vehicle is not adaptable to collecting a user fee, tickets or checking passes. The extremely short route would limit the fee amount.

Tour - Tickets for specific scheduled tours could be sold at the visitor center and collected by the driver.

A user fee of $1 for adults, and $.50 for children and senior citizens was implemented in 1981. Approximately 8,000 visitors generated $6,800 revenue on the tour.

## Opinion

The more recently implemented tour could be eliminated without a serious impact on the park operation.

Originally the shuttle service was a service provided by the concessioner and a small fee was charged. In 1971 or 1972 the system was added to the VTS program and the fee was dropped. The small fee was not paying the costs of providing the service, there was a reluctance to increase the fee because it would reduce the riderhsip, and there was no way to subsidize the concession operation. Once the government provided the service the fees that could be collected would not cover the costs of collection and the fees collected would have gone directly to the treasury, so the fe was dropped.

These conditions still exist, and the system should continue without a use fee.

## Everglades National Park
## Shark Valley Area

Basis - The roadway between the park entrance, visitor and parking facilities and the observation tower, a distance of 7½ miles, is substandard; sections of the road are frequently covered with several inches of water, and the unprotected road is adjacent to a dredged canal through a major wildlife habitat.

## Alternative

The shark valley visitor transportation service was the alternative to extensive road construction and the construction of a safety barrier between the road and the canal for most of the 7½ miles. Construction would have seriously impacted the resources and the wildlife habitat.

## Benefit Classifications

Park - economic, resource, interpretive
Visitor - interpretive
Basic Operation - access

## Equipment

The original vehicles were 3-special, pick-up powered, 50 passenger flat bed trailer trams, with special wheels and large tires, capable of traveling through several inches of water. The special trams have been replaced with 4, multi-unit trams with a similar capacity. All vehicles are government owned, maintained and operated by NPS maintenance and interpretive personnel. The service is operated 10 months a year, November through August.
Passenger Boardings per year 100,000 (50,000 visitors)
Annual funding - $74,700

## User Fee Comments

Originally, there was an entrance fee collected at the Shark Valley entrance. If visitors presented a receipt for a cash fee that had been collected at the main park entrance (Golden Eagle or Golden Age Pass), it was not necessary to pay an additional fee. This procedure was changed to a user fee of $2 for adults, and $1 for children under 12, and golden age passes. In 1981, there was a total of $49,477 deposited in the general fund. Appropriated funds were used to operate the system.

This fee could be increased to $3/1.50.

## Opinion

This system has been operating for 9 or 10 years. It has become part of the normal operations. We understand that the road has been improved wit a paved surface; however, the road is narrow and adjacent to the canal that was excavated to provide the fill needed to construct the road. However, there are no pull-offs for parking, there is inadequate protective barriers along the canal, and the most important consideration is the protection of the wildlife habitat along the shores of the canal.

This system is essential to the public use of the Shark Valley area.

## Fort Matanzas National Monument

Basis - A ferry shuttle service between the mainland visitor contact and parking facilities and the historic fort located on an island in the intercoastal waterway, a distance of 1/3 miles, provides the only access to the fort.

### Benefit

This small ferry boat service provides the only visitor access to the fort.

### Benefit Classifications

Basic Operation - access

### Equipment

One, 11-passenger boat, owned, operated and maintained by a contractor. The system is operated 6 days per week, year-round.
Visitor boardings per year - 72,000 (36,000 visitors)
Annual funding - $31,100

### User Fee Comments

Due to the short route, only a very small user fee would be acceptable to visitors.

### Opinion

Possibly charge $.50 and $.25 for children under 12 and Golden Age passes - ± $15,000 per year.

## Gateway National Recreation Area
## Sandy Hook Unit

Basis - The Sandy Hook visitor shuttle provides access for nonmotorist visitors from the public transportation services and visitor contact facilities near the entrance, to the North Beach area that is 3 miles away. The shuttle service also transports visitors between the parking facilities at the deteriorated beach near the entrance to the North Beach area, which has limited parking.

### Benefits

The major benefit of the Sandy Hook shuttle service is the mobility provided for the nonmotorist visitors who use public transit services for access to the park.

The secondary benefit is the use of an abandoned remotely located parking area as an alternative to the construction of additional parking adjacent to the popular North Beach area.

### Benefit Classifications

Park - economic
Basic Operation - nonmotorist mobility

### Equipment

Two 36-passenger transit buses that are owned, maintained and operated by a contractor.
Passenger boardings per year - 19,800 (9,900 visitors)
Annual funding - $38,000 allocated but not being used for 1982.

### User Fee Comments

A user fee would discriminate against nonmotorist visitors and other visitors who have also been inconvenienced by parking in a remote overflow facility. An entrance fee or parking fee would be more appropriate than a transportation user fee.

### Opinion

Charge a fee or totally discontinue the service.

## Grand Canyon National Park

In 1974, a high volume, seasonal shuttle service operating on a 2.7 mile loop in the historic village area and a high volume, seasonal tour service operating on the adjacent 8 mile long west Rim Drive were implemented. Several years ago the village shuttle service was expanded to include a feeder service originating in the large village lodging/camping area, interfacing with the loop shuttle and continuing to the YAKI overlook and museum 4 miles east of the village.

### Benefits

These visitor transportation services were an alternative to the costly road improvements and parking facility construction that would have been required to correct major traffic congestion problems compounded by inadequate parking. Over half of the 2,300,000 visitors used one of the systems at least once during their stay.

### Benefit Classification

Park - economic, resource, interpretive
Basic Operation - nonmotorist mobility

### Equipment

All equipment is government-owned, maintained and operated under a service contract with the concessioner.

a. Village shuttle (7 - power unit/trailer vehicles, capacity 60 passengers each. Feeder line, 2 - 36-passenger school buses).

b. West Rim (5 - power unit-double trailer vehicles, capacity 90 passengers each).
Systems are operated seasonally with limited village shuttle service off season.

| | A | B |
|---|---|---|
| Passenger boardings per year | 1,025,000<br>(less than 500,000 visitors) | 400,000<br>(200,000 visitors) |
| Annual funding | $689,900 | |

### User Fee Comments

With the exception of the two school buses used for the village shuttle, all multi-unit vehicles used for the Grand Canyon transportation services have center doors. The center doors and trailer units would require additional employees for doors on each power unit and each trailer (29 additional employees per 8-hour shift) for any type of onboard fee collection, tickets, flash passes, etc.

The only potential user fee procedures for the village shuttle are:

a. Increase the park entrance fee
b. Private vehicle parking fees
c. Increased camping or lodging fees
d. Any other indirect fee

The West Rim tour service could charge a fee to all visitors at a gate between the village shuttle area and the West Rim or the indirect procedures listed above.

### Opinion

The West Rim Tour could charge $2 per person for every visitor who goes into the West Rim area for the shuttle service (actually this would be an entrance fee). There would not be any way to monitor boarding pass use because of the multi-unit center door vehicles.

This proposed rate would generate approximately $700,000 per year.

## Grand Teton National Park

Basis - The concessioner operated airport limo service and also provided limited visitor transportation services between the major lodging facilities located at Jackson Lake and remote facilities and attractions located along 5 miles of a historic road parallel to the river. This service was on call for airline passengers and did not provide a scheduled service for other users. This limo service was rerouted over the main highway in the park.

A shuttle service was implemented to provide visitor transportation along the historic road and as part of the energy conservation program, to reduce the employee use of government vehicles between housing areas and duty stations. Visitors are charged a .50 cent user fee.

### Benefits

The use of park vehicles is reduced by the employees using the shuttle service. The shuttle service is available for visitors if they wish to use it.

### Benefit Classification

Park - employee transportation
Visitor - inpark mobility

### Equipment

One, 14-passenger van, owned, maintained and operated by park staff personnel. The service will be operated seasonally.

Estimated passengers per year

Annual funding

### User Fee Comments

A .50 cent boarding fee is being collected.

This system was not operated in 1982.

## North Cascades National Park
## Stehekin Valley Area

Stehekin Valley is an isolated valley with no road access. The only access to the valley is via large commercial tour boats (commercial barges for large supplies and equipment), several major trails, and chartered sea planes. Within the valley, residents of private resort inholdings have old cars that were shipped into the valley for private use.

The developed boat dock area is very small with extremely limited road and parking facilities. The combination of large groups of boat passengers and valley residents using their "captive" vehicles to pick up mail and supplies causes serious congestion.

A shuttle system has been implemented whicn operates along the 12.5 mile unimproved valley road serving the residential areas and major trail heads.

### Benefits

The shuttle system provides a transportation service for visitors between the dock and the trailheads. The shuttle service also provides an alternative transportation service for valley residents who frequently meet the tour boats for mail, supplies, guests, etc., resulting in fewer private vehicles and less congestion at the developed dock area.

### Benefit Classifications

Visitors and Residents - access and mobility
Park - economic and resource

Equipment

Originally, three, 11-passenger GSA leased vans, operated and maintained by a service contractor. Budget reports that there are now commercially leased vehicles with NPS employees as drivers.

Passenger boardings per year - 9,100
Annual funding - $25,500

User Fee Comments

The shuttle service benefits are primarily for the valley visitors and residents. Passengers are charged a $1 user fee for the service. In 1981, $4,391 in fees were collected.

Opinion

If there were 9,000 boardings and the user fee was $1, why wasn't there more money collected?

Point Reyes National Seashore

Basis - An inpark shuttle service was implemented at Point Reyes to provide mobility for nonmotorist visitors who use public transit services for access to the park, and to provide trailhead access that would encourage visitors to park in the existing protected visitor center parking area rather than along the roads and/or limited parking at the trail heads.

Benefits

The shuttle service has a combination of benefits. It is a basic need for nonmotorist visitors who use public transit services for access to the park, and a park benefit resulting from visitors who park in the existing protected visitor center parking area rather than along the roads and/or limited parking at the trail heads.

Benefit Classifications

Park - economic, resource
Basic Operation - nonmotorist
Visitor - convenience, vehicle protection

Equipment

Two 14-passenger vans, owned, maintained and operated by a commercial contractor.
Passenger boardings per year - 5,200 (1978)
Annual funding $26,600

User Fee Comments

If a user fee were implemented, only a small fee would be acceptable to visitors and even a small fee would probably discourage the nonmotorist visitors and cause more trail head parking problems. The driver could collect tickets or check passes that could be sold at the visitor center. A user fee of possibly $1 per pass or $5,200 per year revenue.

Opinion

This park has not sent in any ridership reports since 1978. The last ridership report (5,200 boardings) and the estimated 1982 funding ($26,600) indicates that each one-way trip costs $5 per passenger to travel a maximum of 9 miles or at least $.55 per passenger mile. Even the above proposed user fee would only generate 20% of the costs.

This system should be reviewed to see if a more efficient operation is possible. If not, discontinue the service.

## Redwood National Park

The Tall Trees Grove, on Redwood Creek, is an outstanding natural resource that was only accessible to visitors who would hike 7.5 miles each way from a trail head Bald Hills Road near U.S. 101.

Bald Hills Road is a semi-improved logging road that cannot accommodate large recreation vehicles and trailers. The connecting "C" Line Road to the Tall trees Grove was so limited that sections of the road had to be improved so it could be used by standard 2-wheel drive vehicles.

### Benefit

The shuttle service provides visitor access to one of the park's best resources without causing any damage to the prime resource area. The road improvements were in an area that had been logged.

### Equipment

The original plan (1978) was to use 3 vans to provide the shuttle service.

Passenger boardings per year - N/A
Annual Funding - $40,700 (1982)

Note-There were no 1981 funds charged to this system (account #139), and no 1978-79-80-81 ridership reports. This appears to be a new start.

### User Fee Comments

It appears that a fee could be charged for ths service. In fact, it was anticipated in the information sent to OMB in 1978 that a fee would be charged. At that time the estimated revenue was $12,000 per year.

### Opinion

This is a new system without operating data. There is nothing to base an opinion on except, with the major cutbacks in funding, why are we implementing a new system?

## Rocky Mountain National Park

Basis - The Bear Lake parking area and sections of the Bear Lake road are adjacent to mountain slopes and clifts that for all practical purposes prohibit road widening and additional parking facilities. The transportation services reduce the traffic flow and parking requirements to the capacities of the existing facilities.

If construction had been attempted, the costs and resource damage would have been extensive and the scenic values destroyed.

### Benefits

The seasonally operated transportation services would normally be considered as an alternative to construction of roads and parking facilities. Since construction on the Bear Lake area is physically and economically impossible, the resulting benefit is a visitor benefit because the only practical alternative to the transportation services would be to seasonally limit the number of visitors allowed in the area to the capacity of the existing roads and parking areas.

Also, the visitors who use the transportation services have convenience benefits, no vheicle operating costs and less wasted time in traffic and looking for parking.

The transportation services are operated seasonally.

A - Glacier route, distance 3.5 miles, 4 months
B - Moraine route, distance 4.5 miles, 3 months
C - Fern Lake route, distance 2.0 miles, 3 months

### Benefit Classifications

Park - increased capacity, economic, resource
Visitor - convenience

### Equipment

A - Four 45-passenger school buses
B - Three 45-passenger school buses
C - One 13-passenger van

All vehicles are leased, maintained and operated under a service contract with the park concessioner.

Passenger boardings per year 141,600 (70,800 visitors)
Annual funding $99,200

### User Fee Comments

The visitors using the transportation services will be exiting and reboarding the vehicles and transfering between systems. Any type user fee (fares, tokens, tickets or passes) would be cumbersome, and difficult to manage.

An increased entrance fee or camping fee to support the transportation system would be easier to manage and would not interfere with the operation of the buses.

To accommodate the transferring passengers and to eliminate the need for dated passes, there should probably be a cash token or ticket use fee procedure that is collected on the bus. The fee would be small, i.e., .25 or .35 cents. The total annual receipts would be approximately $35,000 to $40,000.

### Opinion

These transportation systems operate in an area where road and shoulder improvements and additional parking are impossible. These systems should be continued. If the park cannot fund the systems, a reasonable user fee should be charged.

## Sunset Crater National Monument

Basis - (a) A seasonal transportation service was implemented to provide visitors access to the crater after closing the trail. The buses use a 5-mile unpaved road that is not suitable for private vehicle use.

(b) One day per week, one of the evening trips is operated to Wupatki National Monument so visitors can attend a special evening program, a distance of 18 miles.

### Benefits

The transportation service to the crater provides visitor access on a substandard road which is a park or government benefit. The weekly trip to Wupatki is a visitor benefit that enhances the park experience.

### Benefit Classifications

Park - economic
Basic Operation - access
Visitor - experience

### Equipment

One 24-passenger school bus. The bus is government owned, maintained and operated by park personnel.

| | A | B |
|---|---|---|
| Passenger boardings per year | 5,600 (2,800 v) | 300 (150 visitors) |
| Annual funding | | |

### User Fee Comments

The service to the crater appears to be a management responsibility because the service is an alternative to constructing a suitable road.

The weekly trip to Wupatki is a definite visitor benefit that would warrant a user fee. However, the administrative costs of collecting an acceptable fee would probably exceed the few hundred dollars per year that would be collected.

Opinion

This system uses existing interpretive staff, and the only saving would be the cost of the bus. This system could be discontinued with little impact on the park's operation.

## Yosemite National Park

Basis - There were 2 areas, Yosemite Village and Mariposa Grove, where traffic congestion and inadequate parking had become serious safety problems, major visitor experience problems, and resource impact problems.

In the 10 years since the valley system was implemented, a major parking area has been converted to a visitor use area. There have been several sections of connecting roads removed, and the opportunity to use a frequently scheduled transportation service between the various facilities and valley resources has become a very important part of the visitor experience.

(a) Village System - There are two interconnecting shuttle routes serving all of the major facilities and attractions in the upper valley area. The two systems are operated 9 months a year, and a combined route system is operated the other 3 months.

(b) Mariposa Grove - This system is operated during the 6 months of above average visitation when all visitors use an adjacent parking area and tour the grove on the transportation system vehicles.

Benefits

Village System - The village systems were implemented as an alternative to the parking facility and road construction that would have been required if all visitors had continued to use their private vehicles. The roads, and especially the parking facilities that were not constructed, would have been located in the heart of the valley resources and visitor activities. The visitor benefits of convenience, safety, less vehicle operation, etc., are secondary to the park's economic and resource protection benefits.

Mariposa Grove - The Mariposa Grove system was implemented for management and resource protection. The facilities and natural resources could not accommodate the large number of private vehicles in the grove, and the park staff could not control the parking and vehicle use in unauthorized areas that was seriously impacting the area.

Benefit Classifications

Village System
  Park - economic, resource
  Basic Operation - access
  Visitor - convenience

Mariposa Grove
  Park - resource management
  Visitor - convenience

Equipment

a. Eight 90-passenger, open top, double deck buses, and five 60-passenger multi-unit trams, (total route distance, 6 miles), (average passenger travels 2 miles).

b. Six 45-passenger pickup drawn trailer trams, 3.5 miles.

All transportion vehicles are owned, maintained and operated under a service contract with the park concessioner.

The park has purchased 9 new transit type buses for the valley shuttle and new pickup drawn trailer trams for the Grove tour.

There are current negotiations to have a new contractor operate and maintain the NPS-owned buses at a considerably less annual cost than the 1981 contract. However, the old contractor is objecting to the new arrangements and has proposed to oeprate and maintain the new buses and fund the operations by a small percentage surcharge on all other concession services.

| | A | B |
|---|---|---|
| Passenger Boardings per year | 4,663,300* | 320,000 (160,000 visitors) |
| Annual funding | $1,423,600 | |

* Visitors who use village shuttle board several times each visit; on an average each of the 2.4 million park visitors used the village shuttle two times during their stay in the park.

User Fee Comments

The center door design of the multi-unit vehicles and 2-door design plus the upper deck of the double decker buses, prevent any type of coin/token/pass activities on the vehicles. There are too many loading areas in the village area for a feasible boarding area fee collection procedure (coin/token/ticket/ pass). The only practical fee procedures for the village shuttles is an indirect increased park entrance fee, a surcharge for lodging and camping, metered parking, etc.

The Mariposa Grove system could collect a fee at gates between the parking lot and the grove if there were a fence to prevent visitors from conveniently bypassing the gates.

The Mariposa Grove user fee of $1 (.50 for children) would generate approximately $150,000 per year.

When the new NPS-owned transmit type buses are operated in the village, it would be possible to collect a cash fare, tokens, and/or tickets on the buses. If the user fee was .25, and if it were acceptable to the public so there continued to be 4,000,000+ boardings a year, the village shuttle would be self-supporting.

Opinion

The park has not consistently reported ridership and operations for several years. However, up until 1977 and most of 1978, the reports indicated that the Yosemite systems were very popular with the visitors, there were high load factors, and that overall the systems were efficiently operated.

However, it has been our opinion that the passenger counts were too high, that the funding included costs that were not directly associated with the transportation system operations, and at the same time, due to NPS financial procedures, did not include other costs that were directly associated with the systems, i.e., there were several years when the park paid substantial sums (over $100,000 per year) to repair and rehabilitate the contractor-(who is also the concessioner) owned buses so they could provide continued safe service.

The visitors and the park resources have both benefited from the Yosemite transportation services. The Park Service has also had economic benefits from the services. Howver, all of these benefits could be much greater if the Park Service could better negotiate and control the concessioner and the service contract for the transportation services that they provide.

The proposed surcharge on concession services to support the transportation services is an excellent concept. However, this surcharge (similar to a franchise fee) should be collected by the concessioner and paid directly to the park. The park could then use the funds to operate the transportation service by competitively selected contractors or the park staff if more economical.

The surcharge is the next best procedure to increasing entrance fees. However, do not have the concessioner directly apply the surcharge to the transportation service contract costs.

# ALTERNATIVE FINANCING FOR NPS

# VISITOR TRANSPORTATION SYSTEMS (VTS)

# TASK FORCE PROSPECTUS

PURPOSE: To explore and recommend alternative methods in which the park user will directly or indirectly finance the operation, maintenance and replacements costs of visitor transportation systems.

BACKGROUND: General plans, design concept plans, and NPS policy have advocated visitor transportation systems in the parks to reduce air pollution, traffic congestion, law enforcement problems, public safety hazards, and construction and maintenance support related to automobile usage. At present, most in-park visitor transportation is free. The administration is mandating that the cost of these visitor transportation systems be borne by the user (50% in FY 83 and 100% in FY 84). Alternative funding schemes need to be explored.

SCOPE: The VTS Alternative Financing Task Force will concentrate on VTS operation in Western Region park units with the realization that recommendations may be applicable nationwide. The study will look at a full range of alternative financing methods. The objective will be to come up with formulas that provide the best guarantee for NPS that the VTSs are operated to provide cost effective, satisfactory service for both the public and NPS.

We will specifically address the questions which we anticipate will be forthcoming in a memorandum from the Director as follows:

(1) those systems that can be terminated without additional cost.

(2) those systems that could be terminated if alternate facilities or services were provided (i.e., parking, roads, road patrols) and, if so, the estimated cost of the alternative facilities and services.

(3) those systems that cannot be terminated or curtailed, the reasons why not, the cost that must be absorbed to continue operations, and other options for funding, if any.

It is anticipated that the memorandum from the Director will request that a draft statement for each VTS be reviewed and input provided to Washington. A review will be performed by a management team (not defined). We feel that a member(s) of the WR Task Force should be involved since approximately 50% of the NPS budget is used in the WR.

VTS TASK FORCE: The Task Force will consist of:

Chief, Contracting and General Services
Chief, Ranger Activities
Chief, Concessions Management
Chief, Park and Recreation Technical Services

The Task Force will involve other WRO staff as needed and will consult with SQUAD members and with the park units.

TIMETABLE: The Task Force will complete its recommendations within 60 days from approval of this prospectus.

| | |
|---|---|
| Within 7 days | Gather available VTS data in Region and complete inquiry to park units. |
| Within 21 days | Prepare list of financing alternatives |

| | |
|---|---|
| Within 35 days | Complete case studies and supporting documentation for VTS systems in WRO parks to include VTS operation levels, collection options, projection of dollars collected, operating, maintenance and replacement costs, breakdown of use by visitors, concession staff and NPS staff usage, and estimates of all costs associated with not operating the VTS system. Distribute for review and comment. |
| Within 49 days | Consolidate comments. Finalize recommendations |
| In 60 days | Final recommendations to Regional Director |

APPROVAL

Howard H Chapman
Regional Director

7-15-82
Date

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Memorandum

To: Regional Director, Western Region

From: Superintendent, Yosemite

Subject: Visitor Transportation Systems (VTS)
Reply due: August 3, 1982

In response to your inquiry regarding Visitor Transportation Systems, we are pleased to enclose draft statements on systems at Yosemite.

Visitor transportation in the form of shuttle bus operations in Yosemite Valley and at the Mariposa Grove of Giant Sequoias has become an integral and important part of visitor services at the park. These services should be continued and even expanded.

Funding, of course, is the issue. Shuttle services to date have been supported through Congressional appropriations. If these funds are substantially reduced or eliminated, it is incumbent upon Park Managers to seek an alternate means of funding the shuttle operation.

Fortunately, such an alternative seems to exist at Yosemite. Assuming that shuttle costs are in the range of $1,000,000 per year, an option is to ask the Yosemite Park and Curry Company to provide shuttle services and, in turn, approve Company rate requests for all sales (gross revenues in 1981: $55-million) to offset operational costs. This would mean that rate approvals could be increased by an average of 2% to 3% over normal comparable rates. This increase could be broken out and audited in accounting terms that will affirm use for the shuttle operation, and justified on the basis that the Curry Company would provide services, equipment, maintenance, and training acceptable to the National Park Service.

Under this option, the existing NPS shuttle fleet, consisting of nine buses and seven tram units, would be made available under suitable contractual conditions to the Yosemite Park and Curry Company, and the Company would supplement these units as necessary to increase frequency or routing of service.

An option to be considered within this approach would be to collect funding through comparable rates only for the Valley system and to charge a separate per/rider fee for the Mariposa Grove shuttle. Our preference would be to arrange for operation of all shuttle services under the comparable rate approach, although we feel that per/rider charges for some services deserves further exploration.

Finally, we do have a viable and acceptable shuttle contract with the ARA Corporation. This company has expended time and effort to step into Yosemite and assume responsibility for the shuttle program. Every effort should be made to maintain funding in support of ARA's one-year contract and certainly to explore with ARA and other corporations, as well as with the Yosemite Park and Curry Company, those financial options that may be pursued if Congress no longer appropriates sufficient funding to maintain existing levels of shuttle service.

We can assume that in FY '83, at least $800,000 would be required to complete the present ARA contract.

We look forward to further discussion of this complex issue.

Robert O. Binnewies

## Yosemite National Park

**Basis** - There were 2 areas, Yosemite Village and Mariposa Grove, where traffic congestion and inadequate parking had become serious safety problems, major visitor experience problems, and resource impact problems.

In the 10 years since the valley system was implemented, a major parking area has been converted to a visitor use area. There have been several sections of connecting roads removed, and the opportunity to use a frequently scheduled transportation service between the various facilities and valley resources has become a very important part of the visitor experience.

(a) **Village System** - There are two interconnecting shuttle routes serving all of the major facilities and attractions in the upper valley area. The two systems are operated 9 months a year, and a combined route system is operated the other 3 months.

(b) **Mariposa Grove** - This system is operated during the 6 months of above average visitation when all visitors use an adjacent parking area and tour the grove on the transportation system vehicles.

### Benefits

**Village System** - The village systems were implemented as an alternative to the parking facility and road construction that would have been required if all visitors had continued to use their private vehicles. The roads, and especially the parking facilities that were not constructed, would have been located in the heart of the valley resources and visitor activities. The visitor benefits of convenience, safety, less vehicle operation, etc., are secondary to the park's economic and resource protection benefits.

**Mariposa Grove** - The Mariposa Grove system was implemented for management and resource protection. The facilities and natural resources could not accommodate the large number of private vehicles in the grove, and the park staff could not control the parking and vehicle use in unauthorized areas that was seriously impacting the area.

### Benefit Classifications

**Village System**
- **Park** - economic, resource
- **Basic Operation** - access
- **Visitor** - convenience

**Mariposa Grove**
- **Park** - resource management
- **Visitor** - convenience

### Equipment

a. Nine new transit-type buses, park-owned ~~Eight 90-passenger, open top, double deck buses, and five 53-passenger multi unit trams~~, (total route distance, 6 miles), (average passenger travels 2 miles).

b. Seven ~~Six~~ 45-passenger pickup drawn trailer trams, park-owned 3.5 miles.

All transportion vehicles are ~~owned,~~ maintained and operated under a service contract ~~with the park concessioner~~.

~~The park has purchased 9 new transit type buses for the valley shuttle and new pickup drawn trailer trams for the Grove tour.~~

There are current negotiations to have a new contractor operate and maintain the NPS-owned buses at a considerably less annual cost than the 1981 contract. However, the old contractor is objecting to the new arrangements and has proposed to oeprate and maintain the new buses and fund the operations by a small percentage surcharge on all other concession services.

| | A | B |
|---|---|---|
| Passenger Boardings per year | 4,663,300* | 320,000 (160,000 visitors) |
| Annual funding | $1,423,600 | |

* Visitors who use village shuttle board several times each visit; on an average each of the 2.4 million park visitors used the village shuttle two times during their stay in the park.

User Fee Comments

~~The center door design of the multi-unit vehicles and 2-door design plus the upper deck of the double decker buses, prevent any type of coin/token/pass activities on the vehicles.~~ There are too many loading areas in the village area for a feasible boarding area fee collection procedure (coin/token/ticket/ pass). The only practical fee procedures for the village shuttles is an indirect increased park entrance fee, a surcharge for lodging and camping, metered parking, etc.

The Mariposa Grove system could collect a fee at gates between the parking lot and the grove if there were a fence to prevent visitors from conveniently bypassing the gates.

The Mariposa Grove user fee of $1 (.50 for children) would generate approximately $150,000 per year.

Now that ~~When~~ the new NPS-owned transmit type buses are being operated in the village, it would be possible to collect a cash fare, tokens, and/or tickets on the buses. If the user fee was .25, and if it were acceptable to the public so there continued to be 4,000,000+ boardings a year, the village shuttle would be self-supporting.

Opinion

The park has not consistently reported ridership and operations for several years. However, up until 1977 and most of 1978, the reports indicated that the Yosemite systems were very popular with the visitors, there were high load factors, and that overall the systems were efficiently operated.

However, it has been our opinion that the passenger counts were too high, that the funding included costs that were not directly associated with the transportation system operations, and at the same time, due to NPS financial procedures, did not include other costs that were directly associated with the systems, i.e., there were several years when the park paid substantial sums (over $100,000 per year) to repair and rehabilitate the contractor-(who is also the concessioner) owned buses so they could provide continued safe service.

The visitors and the park resources have both benefited from the Yosemite transportation services. The Park Service has also had economic benefits from the services. Howver, all of these benefits could be much greater if the Park Service could better negotiate and control the concessioner and the service contract for the transportation services that they provide.

The proposed surcharge on concession services to support the transportation services is an excellent concept. However, this surcharge (similar to a franchise fee) should be collected by the concessioner and paid directly to the park. The park could then use the funds to operate the transportation service by competitively selected contractors or the park staff if more economical.

The surcharge is the next best procedure to increasing entrance fees. However, do not have the concessioner directly apply the surcharge to the transportation service contract costs.

COPY

572 (WR-ACP)

October 13, 1982

ARA Transportation Inc.
1121 "N" Street
Newman, CA 95360

Attention: M.J. Jewett

Subject: Contract No. 8000-2-0021

Dear Mr. Jewett:

In accordance with the Clause entitled, "Termination for the Convenience of the Government," the National Park Service shall terminate subject contract with an effective date of October 31, 1982.

Your termination claim shall be submitted within 30 days of the effective date of the termination.

Should you have any questions, please feel free to contact me or Jerry Lundblad.

Sincerely,

Dorothy M Rolleri
Chief, Division of Contracting
and General Services

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COPY

C3823(680)

MAR 7 1983

Memorandum

To: Regional Director, Western Region

From: Director

Subject: Yosemite Visitor Transportation System (VTS)

Enclosed for your review please find a copy of a draft letter to the Yosemite Park and Curry Company (YPC) which would authorize the implementation of the Yosemite VTS as a YPC concession operation. This letter has been negotiated by this office, the office of the Solicitor and the counsel for YPC. It is meant to incorporate necessary legal terms and conditions; it does not contain financial or operational conditions or the "price" of the operation and related charges to the public. The operational aspects are under negotiation by your office.

The price of the VTS operation that you agreed on must be based on justifiable costs.

If this letter is acceptable to you, and once final financial and operational matters have been negotiated by you with YPC, the program should be implemented through your signature and concurrence to the letter by YPC. If any changes to the letter are necessary, please forward them to us for concurrence. We also wish to review the final "Operation Plan" and related administrative determinations. In this connection, the Operation Plan of the program should not contain contractual provisions.

It is recommended that you consider excluding the Mariposa Grove portion of the VTS system from this project and put it on a user paying basis concession contract. That would reduce the dollars needed to be added to rates in the park.

Your cooperation is appreciated and if you have any questions please let us know.

(Sgd) Russell E. Dickenson

Enclosure

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Mr. Edward C. Hardy

President and Chief Operating Officer

Yosemite Park and Curry Company

Yosemite National Park, California 95389

Dear Mr. Hardy:

As you are aware, Yosemite National Park visitors for the last several years have been provided a free visitor transportation system ("VTS") in Yosemite Valley year-round and during the peak visitor season at Mariposa Grove through several NPS contractual arrangements involving the use of appropriated funds to pay for the free service. The VTS has been operated on a regular, scheduled basis covering roughly nine miles within Yosemite Valley and nearly seven miles within Mariposa Grove.

Presently, the VTS is being operated by NPS personnel. However, we have determined that the provision of a VTS is not only essential to our responsibility to preserve and protect Yosemite National Park, but that it is proper that the transportation system be self-supporting. Accordingly, the National Park Service has been examining alternative methods for continuation of the VTS without the expenditure of appropriated funds.

By letters of September 8, 1982, and October 14, 1982, your company ("YPC") offered to maintain and operate the VTS without the requirement of payment from the Government. We have examined this proposal and other alternatives and, although your proposal as expressed in your letters of September 8, 1982, and October 14, 1982, are not totally acceptable, we would be willing for the VTS to be maintained and operated by YPC on the following terms and conditions:

1. It is mutually agreed by YPC and NPS that YPC will maintain and operate the VTS as a service to YPC customers and other park visitors and residents as part of its currently authorized concession facilities and sevices as described in the YPC concession contract, NPS-WASO-1X-63-2. Specifically, Section 2(a)(6) of the YPC concession contract authorizes provision of passenger transportation which YPC has been undertaking during the term of its contract.

2. The VTS will be maintained and operated by YPC strictly under the terms, conditions and requirements of the attached Operating Plan and YPC concession contract, except as noted herein.

3. NPS contemplates authorizing YPC to maintain and operate the VTS for a period of approximately three years, commencing on March _, 1983, and ending on March __, 1986. NPS may terminate this authorization at the end of any of the three operating years within this period without liability or compensation to YPC, notwithstanding any provision of the YPC concession contract to the contrary, provided, however, that should NPS terminate this arrangement prior to the expiration of this three year period, NPS will purchase from YPC at book value the inventory of parts and supplies on hand acquired by YPC specifically for operation of the VTS. At the expiration or termination of this arrangement, NPS may choose to provide the VTS itself or through procurement contract with other parties without liability, or to terminate the VTS altogether.

4. YPC will be permitted annually to request NPS approval of a specific VTS rate schedule ("VRS") (approved increases to the prices of certain goods and services of YPC for a VTS operating year) in consideration of maintenance and operation of the VTS. Such requests will be considered pursuant to NPS procedures for concessioner rate approvals. NPS considers that the VRS, in principal, is appropriate, because, as a matter of comparable business practice, a firm offering a free VTS as part of its overall facilities for visitors could be expected to recover the costs of the VTS through other visitor rates.

The approved VRS for the first year of operation is attached hereto. YPC and NPS project that the VRS for the first operating year will result in overall VTS revenue ("OVR") of $____________ (that amount of revenue to YPC projected to be produced by the VRS in an operating year). It is recognized that actual VTS revenues may be less than or exceed the OVR without recourse by NPS or YPC, except to the extent that the VRS may be amended during an operating year as provided below. As with all NPS approved rates, YPC will not be assured by the VRS that YPC will in fact recover its costs for maintaining and operating the VTS. YPC must make its own judgment in requesting a VRS as to whether it is adequate in this regard.

5. NPS may approve amendments to the VRS during an operating year if requested by YPC. Amendments will be approved if acceptable pursuant to NPS procedures for concessioner rate approvals and if: (1) they are adequately justified and necessary to maintain the previous marketability of specific YPC goods or services; (2) the amended VRS is projected by NPS to result in VTS revenue to YPC for the applicable operating year in an amount not to exceed the OVR less actual shortfalls in the OVR incurred from the beginning of the operating year to the date of NPS approval of a VRS amendment. Because VRS revenue is essential to this arrangement, NPS agrees that it will promptly consider any requested amendments to a VRS.

6. Your subsequent annual request for a VRS should be submitted to NPS within sixty days of the end of each operating year for the following year of operation. Such requests must be accompanied by a new proposed OVR, a projection of costs for maintaining and operating the VTS, including overhead, indirect costs and profit, which projection and actual costs incurred and VTS revenues received by YPC are subject to full government audit, as appropriate. YPC will maintain accounting systems and make available to NPS all accounting records necessary to monitor the VTS operation, including the VRS and OVR.

7. Revenues generated by the VRS are fully subject to the franchise fees reflected in the YPC concession contract without set-off.

By concurring to this proposal, YPC agrees to provide the scope of maintenance and operation of the VTS as described in the attached Operating Plan in consideration of NPS approval of the VRS. Levels of operation may be amended by mutual argeement subject to appropriate modification of the VRS. Please indicate your concurrence to the terms and conditions of this proposal where provided below. Your consideration is appreciated.

Sincerely,
Howard H. Chapman

Concurrence

Edward C. Hardy for
Yosemite Park and Curry Company

### LEGALITY OF TERMINATION ACTION

Senator McCLURE. I am considering asking the GAO to review the legality of this action to see if they would agree with my judgment that you are in violation of the terms of the continuing resolution.

As I indicated earlier, the Senate had agreed to terminate all transportation services, but that was not agreed to in the conference action on the continuing resolution, which the full Senate and House concurred in later, which was then concurred in by the President of the United States in signing that bill.

Mr. DICKENSON. Not to be argumentative here, but I emphasize that there was no termination of service. The service was simply provided in a different manner, a management decision.

Senator McCLURE. I understand what you are saying. I hope you understand what I am saying.

Mr. DICKENSON. Yes, sir.

### VISITOR TRANSPORTATION SYSTEMS

Senator McCLURE. Now to the new business.

On pages 31 and 36 of your justification, you are proposing to eliminate all funds for operation of inpark transportation systems. You currently have 16 systems fully paid for by appropriated funds. You would propose to institute a system of user fees to pay the cost of providing the service. In those cases where the ridership is not sufficient to support the system, the service will be discontinued. Your justifications indicate that 3 of the 16 systems already have contracts signed or under negotiation, 9 systems are being reviewed, and 4 systems are unlikely candidates for concessioner operation.

For the three systems under negotiation, what is the current status?

Mr. DICKENSON. The one at Yosemite is in the final stages of negotiation. So is the one at Everglades, which involves the Shark Valley area, the Shark Valley tours. A concession permit has been awarded to the Gettysburg tours. That service could continue there.

Senator MCCLURE. There is a vote on the floor, and I have to recess temporarily and run over and vote. I will be right back.

[A brief recess was taken.]

Senator MCCLURE. You were answering, as I had to leave to go to the floor, with respect to the three systems which are under negotiation.

Had you completed your answer on that?

Mr. DICKENSON. The final one which I did not mention, Mr. Chairman, is Cumberland Island National Seashore. A prospectus has been issued, and we expect to make a concessioner arrangement at an early date on that one.

Senator MCCLURE. Will any change in these arrangements be undertaken in fiscal year 1983?

Mr. DICKENSON. Yes, sir. It will be right away, as a matter of fact. In the case of all three of those, they will be in effect for the summer, calendar summer of 1983.

### REPROGRAMING TRANSPORTATION FUNDS

Senator MCCLURE. Would you propose a reprograming of the changes on the basis that it would be a significant deviation from the program provided for in fiscal the 1983 appropriations bill?

Mr. DICKENSON. That is very much under discussion. And where the funds provided by the Congress would not be utilized, we would propose a reprograming.

### DELAWARE WATER GAP—ROUTE 209

Senator MCCLURE. On page 53, you mentioned the need to add $715,000 to maintain Route 209 through Delaware Water Gap NRA. Twenty-one miles of this route were donated to the National Park Service in fiscal year 1982 by the Commonwealth of Pennsylvania.

According to your justification:

> This narrow road runs the length of the Delaware Water Gap NRA and carries in excess of 3,500 large trucks daily. This traffic causes noise and air pollution, congestion, and contributes to the high incidence of road accidents. The Service intends to ban trucks from the road. However, additional funds will still be required for routine maintenance, including patching, plowing, and shoulder and drain repair.

On page 47, you mentioned the need to add $366,700 to implement the recommendation of the draft EIS concerning Route 209.

Apparently this recommendation is to establish and operate traffic control stations at each end of this 21-mile road.

In other words, you have requested almost $1,100,000 for this one road alone in fiscal 1984. If that is the case, why did the Service accept this donation?

Mr. DICKENSON. The Service accepted that donation by letter of former Director William Whalen, back in 1978, in the belief that the volume of truck traffic on that highway, Mr. Chairman, was simply unconscionable in terms of our efforts to operate that as a national recreation area.

What was happening is the trucks were utilizing that as a shortcut. And there was a tremendous upwelling of public opinion by residents along the road and others, because of this tremendous volume of 18-wheel trucks using the shortcut between two U.S. interstate highways.

So the decision was made in conjunction with the State of Pennsylvania that if we did accept that donation, it would have to be on the condition that truck traffic would be discontinued.

### TRUCKING BAN AND REVERSION CLAUSE FOR ROUTE 209

Senator McCLURE. I notice that you have a lot of protest coming from the truckers associations and from the State of New Jersey.

Mr. DICKENSON. Correct, sir.

Senator McCLURE. What will the trucks do? You say this is a shortcut. I assume there are alternative routes for them to use. How much additional travel is required for them?

Mr. DICKENSON. In many instances, for those trucks based in the immediate vicinity, obviously it will be a hardship. And some of those trucking corporations have discussed that fact with us.

It is a very controversial issue, Mr. Chairman. We fully anticipate litigation, court action by those that are affected by this.

But in terms of the former agreements and arrangements with the Commonwealth of Pennsylvania, we believe that we are morally bound to follow through on accepting this donation, and the Department of Justice now has reviewed all of the title evidence and found it acceptable, with some very minor adjustments that need to be taken into account.

We went back to the State of Pennsylvania to see whether or not we could get a reversionary clause added to the deed tendered to us by the Commonwealth of Pennsylvania.

They have refused to do that. It is our idea that if for any reason in the future we could not operate that road as a recreational road, we wanted it to revert back to the Commonwealth of Pennsylvania.

On further reading of the existing deed, our Solicitor tells us that there is a reversionary feature in the existing deed, but it is optional on the part of Pennsylvania.

Nevertheless, it is the Secretary's decision to go ahead and accept the road.

Senator McClure. I had noticed that both the Governor of New Jersey and the State transportation commissioner have threatened that they are going to take legal action.

I assume that is still the status?

Mr. Dickenson. That is still the status. Yes, sir.

Senator McClure. Will you have to increase the police patrol in order to make this decision stick?

Mr. Dickenson. Correct. And that is outlined in this particular budget before you.

### COSTS FOR ROUTE 209

Senator McClure. Since fiscal year 1982, funding for the Delaware Water Gap has more than doubled, from $1,586,000 in fiscal 1982, to $3,348,000 in fiscal 1984.

And over $1 million of that increase is for Route 209. What other hidden costs are out there waiting for fiscal 1985, to show themselves?

Mr. Dickenson. I do not know of any hidden costs that are there. We have recognized that in implementing this decision, there would be certain startup costs.

However, that would not be repeated in subsequent years, such as the necessary signing. But certainly, there's going to be an annual maintenance cost, and there will be annual security and police costs.

### FEDERAL LANDS HIGHWAY PROGRAM

Senator McClure. Let's discuss the Federal lands highway program for just a minute. You have a rescission pending that would eliminate all of the fiscal year 1983 road funding provided by this committee.

Then you have proposed to substitute FLHP funds for these appropriated funds. Is there any program logic to this rescission proposal, or is it merely a budgetary savings proposal?

Mr. Dickenson. Budgetary savings proposal, Mr. Chairman.

Senator McClure. Does the National Park Service have need in fiscal 1983 for both the $64 million provided by this committee, and the $75 million provided through the FLHP?

Mr. Dickenson. We have an extraordinary backlog, Mr. Chairman, but it is the recommendation of this administration that, because of the very tight budget circumstances, that we rescind the $63.6 million.

Senator McClure. If the rescission is not enacted, do you have a list of the roads that would make up the fiscal 1983 FLHP program of $75 million?

Mr. Dickenson. Yes, sir.

Senator McClure. Any of those roads in your fiscal 1984 budget?

Mr. Salisbury. I don't believe so, Mr. Chairman. The list is not final yet.

Senator McClure. The 1984?

Mr. SALISBURY. The 1983 Federal lands highway program.

Senator McCLURE. Is it possible that the 209 rehab money could be placed in that new category?

Mr. DICKENSON. It probably would be eligible, yes, sir.

Senator McCLURE. One of the things that concerns me, and I think many others, I understand the desire on the part of the administration to move money out of the regular appropriations and into this new fund.

But there is another side to that, too. And that is in the passage of the gas tax legislation, part of it was justified on the basis of creating new jobs, new employment. Not solely that, but that was part of it.

And now we find that it will not create new jobs. It simply is going to take the place of other money and, therefore, simply be a different method of financing the jobs that already exist.

That would not be the case if you took 1985 projects and accelerated them to 1983 and 1984. But it is certainly the case, if as a matter of fact, you cancel 1983 programs or merge the 1984 program into it.

I would urge you to take a look at that in your consideration of it. Look at what we are doing to total job opportunity, and the acceleration of the 1983 and 1984 construction programs, rather than simply a substitution.

Mr. DICKENSON. I agree, Mr. Chairman. It appears the left hand and the right hand may not be working among themselves, but the rescission lies before the Congress at the present time.

Senator McCLURE. Part of what the Congress did with respect to the Highway Tax Act was a conscious decision to create new job opportunities.

It was my initiative along with two or three others that got the National Park Service included as a recipient of those funds. Not with any idea of relieving the Park Service budget, but accelerating the construction program.

Mr. DICKENSON. I understand that.

Senator McCLURE. We are eliminating a little bit of the backlog.

Mr. DICKENSON. As Director, I received the news of the proposed rescission with mixed emotion.

## JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Senator McCLURE. I understand. For your fiscal year 1984 proposal for the John F. Kennedy Center for the Performing Arts, it is $4,342,000; an increase of $95,000 over fiscal 1983 appropriations to date.

This increase is solely for adjustments to base for increased pay and medicare taxes. There is no increase proposed for additional maintenance, security, or housekeeping activities.

In your judgment, what is the overall physical condition of the Kennedy Center facility?

Mr. DICKENSON. The Kennedy Center now is in its 10th year plus of operation. Some of the earlier structural difficulties, such as leakage of the roof, have certainly been corrected now, Mr. Chairman.

But there is concern among those of us who are familiar with that, that many of the rugs, the furnishings, and other types of support facilities will have to have replacement attention very, very soon.

We regret that we could not do it within the proposed 1984 fiscal year budget. It was considered, and a decision was made to defer that until a more appropriate time.

But in answer to your question, our professional judgment is that it will require some close attention very, very soon.

Senator McClure. As I recall, your fiscal year 1984 budget includes cyclic maintenance projects of $286,400. Of which $170,000 should have been done in 1981, and $46,000 should have been done in fiscal 1982.

As I understand it, this cyclic maintenance program laid out for fiscal year 1983, has 83,000 dollars' worth of projects that were initially scheduled but not funded in fiscal 1982; and $40,000 scheduled for fiscal 1983, but not funded.

So it is not just current budgetary problems that have caused this slippage in the maintenance schedule.

Mr. Dickenson. That's right.

Senator McClure. It goes back to 1981, 1982, and now 1983 and 1984.

Mr. Dickenson. I reviewed that with the regional director, Jack Fish, just a few days ago in preparation for another hearing, and it is disturbing. I think we can say that certainly the Secretary and those of us who are in positions of leadership will move to try to do that work just as quickly as the budgetary picture improves for us.

Senator McClure. You mentioned the carpet, and anyone who goes down there can see the bad condition of the carpets. The padding itself is 11 years old. It has never been replaced.

Mr. Dickenson. That is correct, sir.

Senator McClure. Those are rather apparent problems, and I might mention they are not unfamiliar ones. I have a similar problem at home, and almost precisely the same age. And almost the same condition.

Mr. Dickenson. And certain equipment that has been in place long enough, certainly needs to be replaced. And I am thinking now of the kinds of air-conditioning motors and emergency lighting systems. There are other features which we are aware that need some attention.

Senator McClure. I might just add again, this is not necessarily a great addition to the record, but my wife is making sure that I take care of that carpet at home. Maybe I will have her work on you. Or Dave Stockman.

There are some others that are less obvious, and perhaps more important. They are not simply cosmetic. The expansion joints which were scheduled for inspection in 1984, as I understand, you are now proposing to wait until 1985.

It was originally scheduled to be done in 1983. How far can you go before you start running into dangers of larger scale problems? And if you do at least the inspection on a routine basis——

Mr. DICKENSON. Jack Fish and his staff have made some very difficult decisions. But they have tried to prioritize. They have tried to set in priority those things which were most important.

And so where there is a deferral of work, we believe that in good conscience, we can defer it and pick it up without major expense at a later date.

### SECURITY AT THE CENTER

Senator MCCLURE. The Kennedy Center testified that they needed additional security to be provided by the U.S. Park Police. Could these increases be provided by a transfer from the current operating levels, without an overall increase in funding?

Mr. DICKENSON. On an event-by-event basis, we do that, at the present time, Mr. Chairman. There is a basic and stable level of police officers and guards there now.

And while the Kennedy Center of Performing Arts people and others would perhaps like more, we are responsive to individual situations, and bring from other locations and other duties to provide that kind of security.

Senator MCCLURE. Security is one of those things which sometimes slips, and then suddenly you have a problem, which you regret. Just as routine maintenance can be on some structural members.

Mr. DICKENSON. That is true. We would make the statement that if we had the best of all worlds, of course, we would like to have some additional personnel.

But being mindful of the special nature of those events, and when there are special personages attending who require special security, we provide that in every instance.

### TAX ACT CERTIFICATION APPLICATION FEE

Senator MCCLURE. On page 108, you state that the National Park Service will initiate a fee for processing Tax Act certification requests.

According to your estimates, this fee will generate $1.6 million in receipts.

This is according to your record, based on about 8,000 applications. Mathematics would give you a derived fee of $200 per application.

Is that in the range of what your receipt estimate was based on?

Mr. DICKENSON. The fees will vary depending upon the complexity and size, and the time required for review. An average in the $200 to $400 range, perhaps would be more accurate, Mr. Chairman. Although we did not say so in our justification, fees would be charged only for part II applications, which are for rehabilitation. They are estimated to number 4,000. So the average fee is estimated to be $400, although the minimum would probably be closer to $200.

Senator MCCLURE. What is the statutory basis for the imposition of that fee?

Mr. DICKENSON. I would have to refer that to our Solicitor. I am sure it has been thoroughly studied. I am just not personally familiar with it.

Senator McClure. Would you provide for the record the citation of authority?

Mr. Dickenson. Yes, sir.

[The information follows:]

### Application Fee

The statutory bases for Tax Act certification application fees are: Independent Offices Appropriations Act of 1952, 31 United States Code 483A and Office of Management and Budget Circular A-25.

### TAX INCENTIVES

Senator McClure. I'm not certain whether that will be a ragingly successful proposal up here, particularly as we move more and more away from direct appropriations, toward the tax incentive.

Then we see that the Government, having reduced its direct expenditure, desires not to pay the bill for the tax incentive.

Mr. Dickenson. As you are aware, Mr. Chairman, the tax incentive features are producing rather remarkable results in the private sector.

Senator McClure. And we are delighted they are. If they weren't, I suspect the Congress would be responding much more affirmatively with respect to the reinstitution of direct Federal funding.

Mr. Dickenson. We anticipate the volume of private sector tax certifications will reach $1.5 billion in the 1983 fiscal year.

Senator McClure. If you put a fee on of $200 to $400 for application, is that going to reduce the number of applications?

Mr. Dickenson. We believe it will not, sir.

Senator McClure. You think the financial incentive is so overriding that the $200 to $400 will not make any difference?

Mr. Dickenson. That has been our experience to date, and we believe it will continue.

### CLOSING REMARKS

Senator McClure. Thank you very much.

We focused on some problems and some criticisms. I don't mean to be just negative, but we have to ask questions that deal with what are perceived to be deficiencies or problems.

I do not mean to indicate at all that there are not large areas—the much larger area of your budget and your operations that receives a great deal of support up here.

We think you are doing a good job.

Mr. Dickenson. Thank you very much.

### ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you. There will be other questions that will be submitted for—in writing, for responses in writing.

Mr. Dickenson. Thank you very much.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## QUESTIONS SUBMITTED BY SENATOR LAWTON CHILES

### Gulf Islands National Seashore-
### Naval Live Oaks Reservation Facility

Question: It is my understanding that the National Park Service has made a decision to move forward expeditiously with the construction of the visitor center and headquarters at the Naval Live Oaks Reservation of Gulf Islands National Seashore. I have been active over the past few years in trying to get this much-needed facility off the ground and am pleased to learn that the project is still perceived as a priority for the Park Service.

I would appreciate being advised of the current status of construction plans for the facility for fiscal year 1983. Also, please comment on the Park Service's plans for recommending necessary funds for future fiscal years. When do you anticipate completion of the Naval Live Oaks facility?

Answer: The National Park Service recently completed a reassessment of the development requirements at Gulf Islands National Seashore including the Naval Live Oaks area. We have modified our original plans and are calling for a visitor contact station and a separate small administrative building at Naval Live Oaks. The proposed facilities include interpretive trails, picnic areas, a group campground, and a maintenance storage area.

Although we hope to begin a final design effort in the next few months, we cannot predict, with any confidence, when actual construction funds will be sought. The year of construction will inevitably be determined by the size of future year construction budget allowances and the number of health, safety or repair projects that may demand a higher funding priority than the Gulf Island work.

### Biscayne National Park Acquisition

Question: The legislation authorizing the establishment of Biscayne National Park set forth a three year statutory deadline for the completion of necessary acquisitions. Please outline the Park Service's anticipated acquisition schedule for completing the Park project and comment on the Park Service's responsibility to adhere to the Congressional intent for expeditious acquisition of these properties within three years. Would you also comment on the impact the projected land protection plan (expected in April) will have on acquisition activities in the Park.

Answer: The development of a land protection plan for Biscayne National Park is underway and it is expected to be completed by April 1983. The development of land protection plans is not expected to unreasonably delay the progress in obligation of funds appropriated by Congress for land acquisition at Biscayne National Park. Pending completion of a land protection plan, individual acquisition proposals at Biscayne National Park will be forwarded to Washington and will be reviewed on a case-by-case basis. There are currently $5.8 million available for the purchase of land at Biscayne National Park. Title evidence has been received on 21 of the 36 tracts, and appraisals have been approved on 5 tracts on which negotiations have commenced. These tracts, located on the Keys, are the first priority for protection. Until the completion of the land protection plan and the identification of the interest needed on all the tracts, it would not be prudent to develop a schedule.

### Big Cypress National Preserve

Question: Once again the Administration has not proposed funding for Big Cypress National Preserve beyond that anticipated for payment of condemnation judgments. This means that, again this year, cases eligible for court proceedings not yet filed because of inavailability of funds will be delayed. Additionally, there are private properties within the Preserve which have not been appraised and others where negotiations on purchase prices have not yet begun.

Please provide for the record the following information on the status of land acquisition within Big Cypress National Preserve:

a. the number of tracts and amount of money involved in outstanding condemnation judgments.

b. the number of tracts and amount of money involved or anticipated in filed and pending condemnation proceedings.

c. the number of tracts pending in Justice, not yet filed.

d. the number of tracts appraised, but purchase prices not yet negotiated.

e. the number of tracts not yet appraised.

Answer: Status of land acquisition is as follows:

a. 34 tracts, $290,280.

b. 1,325 tracts, $366,124.

c. 180 tracts, $1,078,674.
These are pending at the Solicitor's office.

d. 92 tracts.

e. 51 tracts.

### Authorization Ceiling

Question: In September, 1982 I requested your review of existing authorization levels for Big Cypress to determine if legislation was necessary in order to complete acquisition. Your September 21 response indicated you were unable to determine how much, if any, increase would be required in the statutory ceiling. I would appreciate your comments on the adequacy of the existing ceiling to allow for completion of the acquisition within the Preserve and whether the Park Service intends to recommend, if necessary, legislation to increase the ceiling to allow for the completion.

Answer: The land protection plan for Big Cypress National Preserve is scheduled for completion in September 1983. All of the existing statutory ceiling has been utilized at Big Cypress National Preserve and funds are currently being requested under the authority of Public Law 95-42 to pay condemnation deficiencies. Until the land protection plan is completed and the interest necessary to protect the resource is identified, the amount of additional ceiling for land acquisition is unknown.

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## QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

### NEW RIVER GORGE NATIONAL RIVER

Question: Mr. Dickenson, this spring you sent a letter to me which indicated that development of the New River Gorge National River general management plan would be delayed. That letter indicated that the delayed submission of this plan to Congress would be on or before November 10, 1982. In December, when that plan still had not been submitted to Congress, this Committee included report language at my request directing the Park Service to send the plan to Congress immediately. It is now March 9th and the plan still has not been delivered to Congress.

Mr. Dickenson, what good reason can you give me for the failure of the Department to deliver this plan as promised, the failure to respond to the directive in the Committee report, and the failure to send at least a letter of explanation to interested Members of Congress?

Answer: While I cannot speak for the Department on this matter, I do know that the review workload is very heavy and that reviews of this and other general management plans have been very thorough. The failure to send a letter of explanation on the status of the plan is my responsibility, and I can only say that it was an oversight. It is my understanding that Superintendent Carrico has discussed the status by phone with interested Congressional staff members.

Question: Mr. Dickenson, what is the status of the New River Gorge general management plan?

Answer: The New River Gorge general management plan was approved by the Mid-Atlantic Regional Director on November 1, 1982.

Question: When was this plan forwarded by the regional office to your office?

Answer: The plan was forwarded to my office on November 24, 1982.

Question: When did your office forward this plan to the Office of the Assistant Secretary?

Answer: The plan was forwarded to the Office of the Assistant Secretary on January 13, 1983.

Question: When can I expect this plan to be delivered to Congress?

Answer: It is my understanding that the plan will be forwarded to the Congress by the Department in the very near future. The Secretary signed the transmittal on March 11.

Question: Why has the review period for the New River Gorge general management plan been so lengthy? Please describe for the record all the specific actions and modifications related to this plan which have occurred since it was transmitted by the regional office.

Answer: The length of the review period has been, in part, a result of the complexity of the New River Gorge legislation and reviewers' interest in understanding the way in which the plan has responded to the legislation. Also, as previously stated, the overall review workload has been very heavy during these past 4 months. No modifications have been made to the plan since it was transmitted by the regional office.

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## ADDITIONAL COMMITTEE QUESTIONS

### Visitor Transportation Systems

Question: For the 4 systems not judged likely candidates, what will you do to protect park resources and facilitate visitor use? It seems to me that before the Service terminates any of these systems, the Service needs to consider the impact on the Park resource and needs to secure Committee approval, either in the Appropriations Bill or in a reprogramming action.

Answer: The Service does not intend to terminate visitor transportation systems in parks where visitor safety and resources protection would be jeopardized. Although four of the systems are judged to be unlikely candidates for future concessioner operation, this is not the only alternative the Service is analyzing. The Service expects to identify and test other alternatives prior to the 1984 prime visitor season. Among these other alternatives is legislative authority permitting the Service to use collected transportation system user fees to continue operation.

### Operating Costs

Question: At several points in your justification, you state that increases are needed to offset prior year unbudgeted increases in operating costs. Examples: page 34 -- "augment information programs in 32 areas: +$879,000." Page 35 -- "restore interpretive services impacted by inflation: +$629,000." Page 48 -- "For the past 3 years, absorption in pay cost by the Service has created a shortfall in (U.S. Park Police) pension funds which has been made up by redirecting monies away from other important operating programs: +$992,900." However, you are not asking for enough money to cover known costs in your FY 84 Budget. For example, your FY 1983 pay cost for one account totals $13,976,000 for which you are requesting only $6,932,000 in supplemental funds. Won't this lead to a shortfall in FY 1984 of at least $7,000,000? Have you included in your FY 1984 request funds needed for unemployment compensation payments ($3,000,000) and funds needed for medicare tax payments ($4,532,000)? It seems to me that each year you don't request funds for known cost increases but wait for the next year and argue for restoration of program money which has been diverted to cover funds not requested. Why is that?

Answer: The unbudgeted increases referred to on the referenced pages of the budget relate to inflationary costs of goods and services - excluding personnel expenses - which do have an adverse impact on park budgets. If utility rates increase 10 percent, for example, a park has two basic options: (1) reduce consumption; (2) redirect funds from another area of park operations to cover the increased cost. The park must then seek funding through the regular budget process to "restore" the redirected funds. The fiscal 1984 request for the National Park Service includes all funds required to meet known costs. Although the Service is absorbing a portion of the Federal pay increase and Medicare tax payments in fiscal 1983, the full-year cost of these nondiscretionary expenses - $18.5 million is included in the fiscal 1984 budget. The Service is also requesting full funding for unemployment compensation payments ($3.0 million) and increased FTS and postage expenses ($1.98 million). As a result of the long lead time involved in formulating the budget, and the difficulty in forecasting the future performance of the economy, the Service is inevitably placed in the position of having to catch up with inflation. However, as additional costs become known they are included in the budget request at the earliest opportunity.

## Federal Lands Highway Program

Question: What types of projects can be paid out of FLHP money?

Answer: 23 U.S.C. 204, as amended by Public Law 97-424, Surface Transportation Assistance Act of 1982, provides that funds available for park roads and parkways shall be used to pay for the cost of construction and improvement thereof, including bridges and other appurtenances. Based on an inventory and inspection analysis of all National Park Service roads completed by the Federal Highway Administration in 1981, the safety, structural and service sufficiency of many existing park roads do not meet established standards. Road and bridge projects permitted under this legislation include reconstruction, rehabilitation, restoration, resurfacing as well as new construction. Additionally, the Federal Lands Highway Program is aimed at completing sections of the Blue Ridge Parkway, Natchez Trace Parkway, Cumberland Gap, and Foothills Parkway.

Question: Planning?

Answer: Yes, but only that which is directly project related, or which is required in connection with the transportation planning process required by 16 U.S.C. and 23 U.S.C., as amended.

Question: Federal Highway Administration (FHWA) administrative overhead?

Answer: Yes, that would be included.

Question: New construction?

Answer: Yes, but principally to complete missing links in existing roads and parkways.

Question: Maintenance?

Answer: Routine and preventive maintenance activities are excluded. However, resurfacing, restoration and rehabilitation are eligible for funding.

Question: Rehabilitation?

Answer: Yes, definitely. The program is primarily intended to do 4-R work (reconstruction, rehabilitation, restoration and resurfacing) on existing roads.

Question: Bridge construction and repair?

Answer: Yes, that would be included.

Question: What size criteria will be used?

Answer: To separate minor reconstruction and maintenance oriented activities for the Federal Lands Highway Program, we have decided to limit requests for Federal Lands Highway Program funding to those projects costing in excess of $50,000.

Question: To whose standards will these roads be constructed and maintained?

Answer: These roads will be constructed and maintained to National Park Service standards.

Question: Has the NPS revised its road standards or definitions lately?

Answer: A task force appointed by the Director is currently reviewing and updating National Park Service park road design standards.

Question: Why?

Answer: The current National Park Service road standards, approved in 1968, need some revision and updating in light of the passage of Public Law 97-424, and to bring them in line with the actual use occurring in some park areas.

Question: How will the Service and the FHWA select the roads to be funded through the FLHP?

Answer: The National Park Service will draw up a proposed priority listing of projects for Federal Lands Highway Program funding based upon existing identified road deficiencies and the sufficiency ratings assigned to each segment of National Park System road in the Roads Inventory and Bridge Inventory prepared by Federal Highway Administration. Our priority listings will then be reviewed by Federal Highway Administration pursuant to 23 U.S.C. 202 criteria for "relative need."

Question: Does final selection authority currently lie with FHWA?

Answer: No, but the Federal Highway Administration is required, pursuant to 23 U.S.C. 202(d) and other pertinent sections of 23 U.S.C., as amended, to review all projects proposed for Highway Trust Fund funding on the basis of "relative need," a process similar to their application of funding criteria for the State side of the Highway Trust Fund.

Question: Why?

Answer: This is required by 23 U.S.C. 202(d).

Question: What will they consider in making their decision?

Answer: We understand that their application of the statutory "relative need" criterion will be based on the relative safety, structural and service sufficiency ratings for the particular road or road segment proposed for construction or improvement.

Question: How many times in recent history has FHWA not agreed with NPS recommendations?

Answer: Since Public Law 97-424 was just enacted in December, 1982, there is no "historical" basis upon which to base a reply to your question. Previous Federal Highway Administration assistance on park roads has always involved National Park Service appropriated funds or Federal Highway Administraion Emergency Relief Funds. Preliminary discussions with Federal Highway Administration regarding the Federal Lands Highway Program have been most amiable, and we do not anticipate any problems in this regard. The Federal Highway Administration and the National Park Service have a history of over 50 years of cooperating in carrying out the construction and reconstruction of National Park System roads. We look forward to continuing that excellent interagency relationship under the new Federal Lands Highways Program.

## Gateway National Recreation Area

Question: In FY 1983, we provided $3.7 million for Phase I construction of a seawall at Great Kills in Gateway NRA. Your FY 84 request is for another $4.5 million for Phase II, making the total cost over $8.2 million. What will be protected with that seawall? What alternatives were considered? What was the least costly alternative? Will the Service agree not to obligate those Phase I funds until the Committee considers the total cost?

Answer: With respect to the $4.5 million additional request for this project, the Service informed the Congress, in 1983, that this project would be accomplished in two phases. This new estimate represents a 21 percent increase in cost. This cost increase is due to revised construction estimates which take into account a need for additional reinforcement of the existing seawall and general inflation in the construction industry.

If the seawall were allowed to deteriorate, the deteriorated and jagged steelplates would continue to pose a serious safety hazard to the park visitor. Equally important, the seawall would eventually breach, resulting in the loss of the seawall road and a popular fishing and day-use area. Additionally, a breach could result in massive damage to the ecology of the marshlands and bay, especially since some of the landfill enclosed by the seawall is sanitary landfill.

Alternative construction techniques considered included a steel or aluminum seawall, a timber or concrete seawall and a stone/rubble riprap wall. The steel, aluminum and concrete alternatives were discarded because these materials would quickly deteriorate. The selected alternative consists of a combination of riprap and timber walls. Timber pilings will be placed at strategic portions of the seawall which have traditionally been used by fishermen, and the balance of the wall will be riprap construction. Over the lifespan of the seawall, this solution will be the least costly alternative.

Certainly, the Service will agree not to obligate phase I seawall construction funds until the Committee arrives at a decision on the merits of this project. Phase I reconstruction would be virtually ineffective unless the entire seawall is repaired.

### Water Resource Study

Question: You are proposing (page 120) an increase of $150,000 (+10% over FY83) in your water resource study activity. This increase is to permit the U.S. Geological Survey to establish a monitoring network to measure baseline conditions for geothermal resources at Yellowstone National Park. Does the Service anticipate geothermal leasing adjacent to Yellowstone?

Answer: Approximately 24,705 acres of State and private lands within the Island Park Geothermal Area (IPGA) are currently leased for geothermal resources. Because the Yellowstone caldera system contains approximately one-third of the heat energy remaining in igneous systems within the United States, we do anticipate geothermal leasing on some of the approximately 200 geothermal Federal lease applications within the IPGA.

Question: If so, when?

Answer: Action on the existing leases will be decided by economics as well as other factors. Leasing on Federal lands is currently awaiting resolution of the questions raised in the Record of Decision, IPGA Idaho-Montana-Wyoming, Final EIS, USDA, Forest Service, January 15, 1980. One of the questions, that consent...will not adversely affect the unique thermal features of Yellowstone National Park, is the focus of the subject funding. Monitoring would permit determination of baseline conditions and lead to an understanding of natural variations. Associated studies, such as geochemical modeling and magneto-telluric soundings, would help to answer the question: How close can geothermal development be permitted without adversely affecting hydrothermal systems within Yellowstone?

Question: How long will it take to establish such a monitoring network?

Answer: The U.S. Geological Survey can establish stream gauging stations to monitor conductance and chloride flux (a measure of total convective heat output) within a year's time. Similarly, magneto-telluric soundings can be made and the results interpreted within a year. Geochemical modeling would require 2 years, and the interpretation would relate to the results of the magneto-telluric study.

Question: How will the data be used in reviewing leasing applications?

Answer: Geochemical modeling and magneto-telluric soundings would be used to define areas in which there is significant probability of hydrologic connections between Yellowstone's thermal areas and the IPGA. Hydrothermal monitoring would be designed to gain an understanding of natural variations in hydrothermal discharge so that they might be distinguished from changes that could be caused by nearby development. Several years' data would be required before such interpretations could be made.

Question: Does National Park Service have other monitoring networks in existence?

Answer: No, the Service does not have other monitoring networks.

Question: Does USGS have other monitoring networks in existence?

Answer: Not as such, however, there is a low-budget pilot program in Yellowstone designed to develop the instrumentation and methods for such monitoring. Geochemical studies of the type described here were conducted in interior portions of Yellowstone in the early 1970's and at Steamboat Springs, Nevada. The U.S. Geological Survey is conducting fumarole monitoring at Lassen Volcanic National Park.

## Statue of Liberty

Question: Mr. Dickenson, I'm somewhat concerned about the private fund raising efforts for rehabilitation of the Statue of Liberty. Could you please give us an update on the fund raising efforts? The planning for that rehabilitation has not showed up in your justification. Just how bad is the deterioration of the statue? What is your schedule for rehabilitation efforts? Do you intend to have all the work done in time to celebrate the Centennial in 1986? Do you have enough money on hand to get started?

Answer: To date the Statue of Liberty-Ellis Island Foundation has collected approximately $1 million in private funds and have firm commitments for some $5 million.

While the deterioration of certain parts of the internal framework of the Statue is the cause of concern with regard to long term maintenance, there is no present health or safety hazard. The schedule for the total rehabilitation of the Statue and the upgrading of visitor facilities on Liberty Island call for completion in time for the celebration of the Centennial in 1986. Sufficient monies have been provided to allow the preliminary work to proceed and the project is on schedule for the erection of scaffolding in the early fall of this year.

Question: I am not concerned about the use of private fund raising efforts for the Statue but I want us all to ensure that the work will be done to NPS standards and be subject to NPS approval as it proceeds. How has the system been established to accommodate those concerns? Will all the money be raised before any work is initiated? What will be the role of the Franco-American committee in the fund raising effort and what will be its relationship to the efforts headed by Mr. Lee Iacocca?

Answer: All work to be done on the Statue will meet NPS standards and will be subject to NPS approval as it proceeds. A system calling for periodic reviews and approvals by NPS and the Centennial Commission has been established and Park Service personnel will be overseeing the project from start to finish. It is anticipated that the Foundation will be letting incremental contracts for the rehabilitation and will have sufficient funds in hand prior to the letting of individual contracts. The funds for the initial contract are currently in hand.

The French-American Committee for the Restoration of the Statue of Liberty is represented on the Federal Commission by one of its founders, Phillipe Vallery-Radot, and will be responsible for funding the architectural and engineering studies and construction documents. They have been raising funds for this work in France and much of the preliminary work in this area has been completed. The Centennial Commission and Foundation will be raising the funds for the actual rehabilitation work in the United States. Any funds raised in France over and above that required for the architectural and engineering work will be turned over to the Centennial Commission by the French-American Committee for the restoration work on the Statue.

## Informational Publications

Question: Mr. Dickenson, I understand that the Service is considering implementing a system of charging for park informational publications in FY 1983. Would you explain that for us? Your justification (p. 59) states that you are considering that change in FY 1984 and are proposing a related budget reduction of $50,000. Will the Park Service continue to provide the basic publications at all Parks?

Answer: The initiative to sell folders previously given out to park users originated with a memorandum from the Office of Management and Budget, dated July 2, 1982. That memorandum states that "...We recommend that the Park Service be requested to adopt a general policy of charging for park brochures in order to offset some of its production costs, beginning in calendar year 1983..." The conversion to the sales arrangement is intended to be gradual and on a voluntary basis with about a dozen parks participating the first year. The parks selected were those that agreed to participate in the sale of folders and which had good sales opportunities. This includes a suitable cooperating association sales outlet and a public-use pattern which directs visitors through one or more logical distribution points. Those parks will continue to get enough copies for free distribution to school groups, for responding to mail requests, and for other administrative use. For the parks not participating in the sales plan, distribution will be on the customary basis, within budgetary limits.

The authority to sell publications rests with the Superintendent of Documents. Currently, a Park Service sales policy can best be implemented by having folders and other publications sold by cooperating associations and concessioners now located at nearly every park unit. These vendors will process folders directly from the Superintendent of Documents.

The Park Service will make yearly revisions to keep all park publications up to date and to provide a basic yearly supply of 10,000 or 20,000 copies to each park for administrative purposes. The publications' office will manage the flow of materials ordered by the selling organizations and coordinate with the Government Printing Office.

Question: What types of publications will be sold?

Answer: For about 5 years, the Park Service has been changing its folders from basic guides called minifolders to a type of information more suited to self-guiding applications and a pattern of park use far more diversified than was previously the case. These new folders are prepared around a highly informative map far more useful and reliable than was contained in the old minifolders. Additionally, text and pictorial information has been elevated for greater interest and advantage to visitors. These newer folders are designed to have a sales value of 50 cents, and it is these that are intended to be sold in 12 parks in the coming year. One third of the parks now have these folders and more are being produced each year.

Question: What types of publications will be eliminated as a result of your FY 84 proposed reduction? Aren't these publications necessary to protect the Park resource, to provide for the safety of the park visitor, to provide for interpretive aspects of park operations?

Answer: Rather than eliminating publications, we expect to print fewer copies of folders for those parks involved in the sales program. Yes, these publications are necessary for the safety of the park visitor and to provide interpretive aspects of park operations.

Question: Again, I don't disagree with the concept in principle but I wonder if the Service has developed a workable policy.

Answer: We believe that the policy of gradual conversion to sales in selected parks is a workable one. We may find it necessary to accommodate individual park problems as we gain experience in this area. An important factor beyond our control is the price schedule established by the Government Printing Office. Over recent months, the Government Printing Office's prices have risen sharply as it seeks to recover its own operating expenses. Since the Department's Solicitor has determined that the National Park Service cannot sell folders directly to the public, we must depend on National Park Service cooperating associations to be the sales agent. These associations mark up the Government Printing Office prices to offset their considerable investment in sales stock, distribution costs (sales clerks' salaries and/or vending machine costs), and to gain a reasonable profit. At many parks there will be a continuous need for supplementary information--maps, directional sheets, danger warnings, and announcements--where severe tort responsibilities exist. These will be produced at the park level with local operating funds.

## Park Publications

Question: We understand that OMB has directed the elimination of seven park publications because they had not been approved by OMB. Would you submit for the record a list of publications approved by OMB, with a complete description of each and with cost, production, and distribution data for each. Does the Service currently have a sales program? If so, please describe.

Answer: No park publications have been approved by the Office of Management and Budget. At this time there are no further plans to request approval for additional periodicals.

Most National Park Service areas have publications sales outlets. The cooperating associations operating these outlets are experienced in buying and selling publications and a few are already selling park folders.

John F. Kennedy Center

Question: Please provide for the record an analysis of staffing at the budget level and an analysis showing usage of an additional 3 or 5 personnel in FY 1984.

Answer: The present staff at the Kennedy Center totals 81 employees, 71 whom are permanent full-time, 2 career seasonal, 7 permanent part-time and 1 intermittent. Projected FTE usage for fiscal 1983 is 81, based on available funding and an analysis of other operating requirements.

Three employees are assigned to the General Manager's Office and 7 to the Administrative Office (including 4 Occupational Health Nurses). The Chief of Maintenance supervises the work of 4 members of the Building Maintenance Branch, 4 in the Central Repair Officer, 6 plumbers, 9 electricians, 9 air condition equipment mechanics and 8 members of the Grounds Maintenance Branch. There are also 4 Park Technicians assigned to the Visitor Services Division. At present, the U.S. Park Police staff consists of 1 Police Supervisor (Sergeant), 12 U.S. Park Police Officers, 12 Guards and 1 Clerk Typist.

If the staff was increased by three, a Clerk and 2 Police Officers would be assigned to work the 3-11 p.m. shift. If the staff was increased by five, the above assignments would be made and we would assign 2 Park Technicians to the Visitor Services Division to staff the Information Desks on a full-time basis.

Question: What is the status of considerations concerning the Kennedy Center indebtedness for construction bonds? Will any legislation be introduced this Congress?

Answer: The Department of the Interior does not know the status of considered actions concerning the Kennedy Center's indebtedness for construction bonds, or whether any legislation will be introduced this Congress since this matter is in the Department of Treasury's area of responsibility.

Entrance and Recreation Fees

Question: You have proposed new appropriations language authorizing the establishment of reasonable entry and special recreation use fees for all NPS units, where practical. Philosophically, I have some problems with that. How would this be implemented? What would be your criteria for deciding whether or not an area should have a fee initiated? How would that fee be determined?

Answer: Entrance fees would be established only after carefully reviewing the conditions which exist at each individual unit. As listed in title 36 CFR, § 71.3, the following conditions must be found to exist concurrently:

(1) The area is a unit of the National Park System administered by the Department of the Interior;

(2) The area is administered primarily for scenic, scientific, historical, cultural, or recreation purposes;

(3) The area has recreation facilities or services provided at Federal expenses; and

(4) The nature of the area is such that entrance fee collection is administratively and economically practical.

Fees would be based on a comparable recreation fee charged by other Federal and non-Federal public agencies with the service area of the management unit at which the fee is charged.

Question: You would also use those fees to cover the cost of fee collection and then to be available for park use. Is that right? What would prevent the Service from raising prices in order to generate more repair and maintenance money?

Answer: The revenues collected would be reserved for improvement, protection, and restoration of park resources and facilities and would agument the sources of funding now available to the National Park Service.

The draft bill would authorize, but not require, adjustment to entrance and admission fees by an amount not exceeding the rate of inflation. Technically, there would be no legal prohibition against raising fees to generate additional revenue for park operations. It is the Service's intention, however, to use recreation fee revenues to supplement appropriated funds. As a matter of policy, fees would be established at a minimum equitable level to ensure that no one is "priced out" of a National Park experience.

## Jean Lafitte National Historical Park

Question: Does the Service have a water quality monitoring station or project at Jean Lafitte NHP?

Answer: The U.S. Geological Survey has been taking and analyzing water samples at six sites in the Barataria area since April 1982.

Question: What is the water quality situation there?

Answer: Preliminary indications are that the Barataria has been impacted by pollutants that are typical of urban runoff, primarily organic materials. It should be noted that at some sites, water quality is quite good.

Question: According to newspaper reports, the park's waterways are being contaminated with sewage. Provide a complete narrative and cost estimate for correcting this water quality problem.

Answer: Since the apparent sources of pollution are outside the park's boundaries, the Service's options for direct mitigation are quite limited. As more complete data becomes available, the park will actively cooperate with local governments and the Environmental Protection Agency in seeking to identify and contain sources of pollution. The park is currently preparing a Land Protection Plan that addresses this problem in detail.

## Yellowstone National Park

Question: What is the status of negotiations and/or legislation concerning a state commission in Wyoming to assist the Service in upgrading facilities at Yellowstone National Park?

Answer: State Senator Tom Jones of Park County (Cody) had the Legislative Services Office draft for him a piece of legislation that never was introduced.

The legislation would have appropriated $25,000 from the State's general fund to provide travel and per diem for a seven-member State commission that also would have been established under the bill. The commission would have investigated "the need for improvements in Yellowstone National Park" and would be empowered to "enter into negotiations for this purpose."

Members of the special commission would have included two residents of Park County, two residents of Teton County, one from the Travel Commission, one from the State Recreation Commission, and one from the Department of Economic Planning and Development.

The Commission "would meet and negotiate with the National Park Service as to those projects that the State of Wyoming would assist in funding within the park."

Although the State Travel Commission had earlier told the regional office in Denver that Jones was believed to have been talking about a $2 or $3-million "grant" to Yellowstone National Park (for development purposes), there is no evidence to suggest that he did indeed have such legislation drafted.

## Georgetown Waterfront

Question: What is the rationale for the Service for considering accepting D.C. waterfront land between 31st Street and Key Bridge as a part of the National Park System? What is the National significance to that land? Why should it be a federal responsibility?

Answer: The park system of the Nation's Capital, and the Federal responsibility for its care, dates to 1791 when the city was established by Congress and the original 301 parks were set aside. This concept has been reinforced by the Congress over the past 192 years.

Pursuant to extensive planning the Capper Cramton Act of 1930 (46 Stat. 482) established the Federal goal to acquire and protect both shorelines of the Potomac River from Fort Washington, Maryland, and Mount Vernon, Virginia, to Great Falls. Over the past 50 years, the National Capital Planning Commission, the Commission of Fine Arts, as well as previous Secretaries of Interior, have reinforced this goal and have identified the Georgetown Waterfront as potential parkland under Federal jurisdiction.

The lands in question are the missing link in 200 miles of shoreline in National Park Service ownership from Cumberland, Maryland, to East Potomac Park in the District of Columbia. Further, 96 percent of the shorelines of the Anacostia and Potomac Rivers in the District of Columbia are under Federal jurisdiction. The goal of the National Capital Planning Commission and the Department of Interior is that these shorelines will be linked by a continuous park with pathways and other park amenities to ensure public access and use of the rivers. These shoreline parks are one of the major elements of the federally managed park system of the Nation's Capital which, as a unit, are nationally significant.

In the context of this historical Federal commitment, the Secretary of Interior and the Mayor of the District of Columbia signed an agreement in 1979. This agreement provided for the transfer of the 12 acres of land under District of Columbia jurisdiction to the National Park Service for park purposes. This agreement has never been implemented.

## Harpers Ferry/Bolivar Police Department

Question: Why delete the Harpers Ferry reference from the appropriation language? How many police does Harpers Ferry have? Would NPS have to provide additional rangers if money was not provided to Harpers Ferry?

Answer: No funds were budgeted for the Harpers Ferry/Bolivar Police Department because there is no authorizing legislation for direct budgetary support by the Federal Government to any local police department.

There are currently three full-time police positions filled: the chief, a sergeant and a patrolman. These positions are totally funded by the NPS grant.

Based on the current visitation figures and the demands placed on the ranger protection staff for visitor services and protection the current staff is adequate to meet the park's needs. Members of the Harpers Ferry/Bolivar Police Department do not patrol the park. However, they do assist with the traffic flow outside the park and help alleviate illegal parking on private property within the two towns.

## Road Maintenance at Indiana Dunes

Question: Provide a complete cost and narrative justification of the language authorizing road maintenance at Indiana Dunes.

Answer: Base funding for this project was first provided in fiscal 1980 with specific congressional authorization to expend funds on roads not owned by the National Park Service (approximately 12 miles of roadway). These roads are used by visitors to the National Lakeshore. In fiscal 1980, 1981, 1982, and 1983, funds were utilized to accomplish major repair and rehabilitation of approximately 10 miles of roads, to construct new and improve old parking areas in three primary use areas, to reduce hazardous conditions at a principal intersection, to provide drainage structure improvements in several locations; and to install a guardrail.

The proposed fiscal 1984 road work, to be accomplished principally by contract, includes the following:

| | | |
|---|---|---|
| Major rehabilitation of 2.75 miles of road: | | $220,000 |
| Furnessville Road, 1.5 miles | $115,000 | |
| Teal Road, 0.5 miles | 50,000 | |
| West Beach Service Road, 0.25 miles | 20,000 | |
| Goodfellow Camp Road, 0.5 miles | 35,000 | |
| Seal and thermalplastic striping, West Beach and Bailly area parking lots | | 66,000 |
| Crack seal and thermalplastic striping 10 miles of roadway | | 30,000 |
| Pave dormitory and carpenter shop entrance roads and parking areas | | 35,000 |
| Install induction loop traffic counters (loops in 12 locations and purchase 6 counters) | | 35,000 |
| Road shoulder, drainage structure and other routine maintenance and repair | | 114,000 |
| Total | | 500,000 |

## Programmatic Impact of Absorbing Increased Pay Cost and other Uncontrollable Expenses in Fiscal 1983

Question: NPS is to absorb $6,010,000 of the FY 83 pay increase (p. 21). What will be foregone in order to accommodate this absorption? Provide a detailed list.

Answer: In fiscal 1983 the National Park Service will make adjustments in its operating budget in order to absorb $11.0 million in uncontrollable costs for increased Federal pay ($6.0 million), medicare tax payments ($2.0 million), and unemployment compensation for former employees ($3.0 million). In determining how to fund these increased costs, managers in the park, Regional Offices, and the Washington Office have carefully reviewed their operating requirements and identified those areas that could be reduced to achieve short-term savings.

In the Washington Office, Denver Service Center, and Harpers Ferry Center savings will be effected by reducing travel expenses, deferring equipment purchases, and delaying filling vacant positions. Each Regional Office has identified a number of possible actions including the deferral of routine and cyclic maintenance, minor reductions in temporary employment, reduced travel and training, increasing the lapse on vacant positions and delaying the purchase of equipment, supplies and materials. Since the Service's fiscal 1984 request includes full funding for the Federal pay increase, Medicare payments, and unemployment compensation, actions taken in the parks, Regional Offices, and the Washington Office will have a temporary impact only, assuming the requested funding levels are approved by the Congress.

The total shortfall of $11.0 million will be made up by reducing funding for the Washington Office $0.5 million, the Regional Offices and Service Centers $1.5 million and park operations $9.0 million. The estimated impact at the park level of absorbing the increased cost of salaries and benefits is summarized below:

Rocky Mountain Region (42 parks)............. $1,204,000

-- Reduce period of employment for seasonal rangers by 10-15 percent in 18 areas resulting in a decrease in routine ranger patrols of campgrounds, park roads, and backcountry areas, and a reduction in the number of interpretive programs offered to the public.

-- Reduce the frequency of routine maintenance functions such as trash collection, roadside mowing, fence repair, and weed control in 15 areas.

-- Reduce visitor center operating hours 10-20 percent in 6 areas during periods of light use.

-- Defer the purchase of maintenance supplies and materials in 5 areas.

-- Defer cyclic maintenance projects regionwide.

North Atlantic Region (34 parks)............. $838,000

-- Reduce interpretive programs in 7 parks and cut back operating hours 10 percent at one visitor center.

-- Reduce routine maintenance activities and the number of budgeted work years for seasonal laborers in 5 areas.

-- Defer cyclic maintenance projects regionwide.

National Capital Region (27 parks)........... $1,331,000

-- Reduce routine maintenance and defer the purchase of maintenance supplies and materials in 4 areas.

-- Reduce work years budgeted for seasonal rangers in 4 areas resulting in fewer interpretive programs during the summer season and reduced hours at one visitor center.

-- Defer cyclic maintenance projects regionwide.

Mid-Atlantic Region (29 parks)............... $795,000

-- Reduce work years budgeted for seasonal rangers in 10 parks, resulting in fewer hours of routine patrols, a decrease in the number of interpretive programs, and reduced operating hours at one visitor center.

-- Defer cyclic maintenance projects at 8 areas.

-- Reduce planned purchases of supplies, materials, and equipment in 4 areas.

Southeast Region (53 parks).................. $1,424,000

-- Defer completion of cyclic maintenance and preservation projects in 15 parks. Projects include brush clearing, painting, sign replacement, and minor repairs to walls and markers.

-- Defer the purchase of replacement equipment, supplies, and materials in 13 areas.

-- Reduce the number of work years budgeted for seasonal rangers in 22 parks. In most cases, this will effect the number of interpretive programs and hours of ranger patrol conducted at the beginning and end of the peak summer season, as well as coverage of visitor contact and entrance stations.

-- Delay filling vacant positions in 6 parks.

-- Cut back on certain resources management activities such as wildlife population studies, field surveys, and monitoring programs in 3 parks.

-- Reduce travel and training expenses regionwide.

-- Curtail routine maintenance activities in 13 parks by reducing budgeted work years for seasonal laborers; eliminate seasonal clerical support in at 3 parks.

Mid West Region (30 parks)................... $612,000

-- Reduce the term of employment for seasonal maintenance workers in 12 parks. This will reduce the frequency of such services as routine grounds maintenance, custodial care, trash collection, and general upkeep.

-- Defer completion of cyclic maintenance and repair projects in 7 parks.

-- Decrease planned expenses for travel, training, and the purchases of supplies, materials, and equipment in 15 parks.

-- Delay employment date for seasonal interpretive staff in 10 parks, This will reduce the total number of interpretive programs presented, result in slight reductions in visitor center hours during low use periods, and reduce roving interpretive contacts.

-- Delay completion of interpretive exhibits in 2 areas.

Southwest Region (37 parks).................. $620,000

- Reduce administrative support activities in 16 areas including travel, training, purchase of office supplies and temporary clerical support; and delay filling the administrative officer position at Padre Island.

- Delay the purchase of maintenance supplies and materials to replace inventory in 5 parks; reduce the term of employment for seasonal laborers and/or defer filling vacant positions in 16 areas; curtail contractual maintenance services in 3 parks.

- Cut back interpretive travel and training in 3 areas; reduce the seasonal work years for interpretation affecting interpretive presentations in 17 areas; and reduce coverage of entrance stations in 3 areas.

- Delay filling natural resources management positions in 5 parks; cut back ruins stabilization activities in 2 areas to a minimum level; and defer the purchase of supplies and materials.

- Reduce the hours of ranger patrols in 9 parks; defer the purchase of equipment, supplies, and materials in 4 parks.

Western Region (44 parks).................... $1,605,000

- Reduce the level of routine maintenance during the summer visitor season by decreasing the budgeted work years for seasonal laborers.

- Cut back work years for seasonal rangers in 16 areas affecting interpretive programs and patrol activities, particularly during the beginning and the end of the peak summer season when relatively fewer visitors are in the parks.

- Defer completion of cultural resources preservation projects in 4 areas; cut back natural resource management activities in 6 parks.

- Reduce planned expenses for travel, training, supplies and materials, and equipment in 7 areas.

- Defer completion of maintenance and rehabilitation projects in 3 parks.

Pacific Northwest Region (15 parks).......... $409,000

- Delay replacement of radio and other equipment and reduce seasonal work years for backcountry and routine patrols in 4 areas.

- Cut back seasonal interpretive work years in 12 areas, thereby reducing the number of planned interpretive presentations by 10--15 percent. Delay campground openings in 2 areas.

- Defer the purchase of maintenance supplies and materials and reduce the workyears budgeted for seasonal laborers in 10 parks.

- Delay implementation of monitoring and management activities relating to natural resources in 6 areas.

- Curtail expenses for travel, training, telephone services, and seasonal clerical support in 5 parks.

Alaska Region (23 parks)..................... $146,000

- Defer the purchase of replacement equipment and supplies in 4 areas.

- Reduce the number of resources management and law enforcement patrols by park rangers in 6 areas.

- Delay completion of maintenance and repair projects in 2 parks, and reduce budgeted work years for seasonal laborers.

## Administrative Savings

Question: What will be the administrative savings realized from merging the National Recreation and Preservation Appropriation with the ONPS appropriation (p.21)?

Answer: Although the intent of the merger was not to incur administrative savings, some savings will probably be realized. This savings would be difficult to calculate and almost negligible.

## Activity Transfers

Question: Please describe each of the transfers with the ONPS - Park Management account more fully (pages 21-22). Please describe in detail the adjustments to base for maintenance.

Answer: For fiscal 1984 the Service proposed certain adjustments within the base for Park Management in response to the following:

A congressional directive to show expenses for public affairs programs with the General Administration activity;

The requirement of section 549 of Public Law 95-619, The National Energy Conservation Policy Act of 1978, requiring Federal agencies to show as a budget line items funds requested for energy retrofit property and related expenses. These funds were centralized under the maintenance subactivity;

A redistribution of the monies added to the Service's budget request by the Congress in fiscal 1983 on Law Enforcement Training, Harry S. Truman NHS, New River Gorge National River and Martin Luther King, Jr., NHS to the appropriate budget subactivity. Congress added these funds as lump sums under "Management of Park Areas", however, this money will be used for maintenance, interpretation and other activities; and

A change in the Service's method of budgeting for park support activities carried out in the Regional and Washington Offices. Previously, these expenses were included under the "Management of Park Areas" subactivity. Beginning in fiscal 1984, the Service proposes to budget for these costs under the related program subactivity, i.e., Maintenance. The transfer of $3.7 million from "Management of Park Areas" to "Maintenance" accomplishes this change.

The following table summarizes the adjustments to base by subactivity:

($ in thousands)

| Activity/Subactivity | Martin Luther King Jr.,NHS | New River Gorge NR | Harry S. Truman NHS | Law Enforcement Training | Energy Conservation | Public Affairs | Total |
|---|---|---|---|---|---|---|---|
| Park Management | | | | | | | |
| Management of Park Areas | -200 | -105 | -122 | +500[a] | -432 | -1,647 | -2,006 |
| Interpretation and Visitor Services | +130 | +90 | +17 | -- | -- | -- | +237 |
| Visitor Protection and Safety | -- | -- | +44 | -500 | -- | -- | -456 |
| Maintenance | -- | +15 | +61 | -- | +516 | -- | +592 |
| Resources Management | +70 | -- | -- | -- | -84 | -- | -14 |
| General Administration | -- | -- | -- | -- | -- | +1,647 | +1,647 |

[a] Included under Management of Park Areas as part of the Servicewide Training Program

D22(330)

AUG 31 1982

Honorable Sidney R. Yates
Chairman, Subcommittee on Interior
and Related Agencies
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Yates:

The National Park Service proposes to reprogram "Operation of the National Park System" appropriation funds currently allocated throughout the Service to park areas, Regional Offices, Harpers Ferry Center, Denver Service Center, and the Washington Office to cover Servicewide programs that are either underfunded or unfunded.

The Omnibus Reconciliation Act of 1980 (P.L. 96-499), requires that all unemployment benefits paid to former Federal employees based on Federal service performed after December 31, 1980, be reimbursed to the Federal employees compensation account of the unemployment trust fund by the various Federal agencies. Office of Management and Budget (OMB) Bulletin 81-17, dated April 30, 1981, further requires that agencies will fully absorb all costs of unemployment compensation for Federal employees resulting from P.L. 96-499 by reducing other operating costs. The National Park Service has received billings for unemployment compensation for the first two quarters of fiscal 1982. Projecting these amounts for the full year, it is estimated that the Service will require $3 million to cover the unemployment compensation costs. Since separations occur throughout the National Park System in all parks and offices, it is logical to assess each park and office an amount to cover this requirement. The billing information received from the Department of Labor provides insufficient detail to target an assessment of these costs to the specific organizational unit responsible for the claim. Accordingly, an assessment has been made to each National Park Service Region or office based on the annual cost projected for the States that fall within their organizational boundary. The Regions or offices will charge a prorata share to each lower level organizational unit or park area under them.

Two Servicewide "uncontrollable" programs have experienced a severe funding deficit. These are Postal and Federal Telecommunications Services. The postage cost, as we are billed by the Postal Service, has increased beyond that budgeted because of the increased rate of first class mail, from 16 cents to 20 cents since preparation of the budget, and the Service's increased use of priority express mail service. While priority express mail represents a small amount of this increase, the National Park Service has cautioned its Regional Offices to utilize priority mail service only in those cases where it is deemed absolutely necessary. This fiscal year, the General Services Administration changed its method of billing for long distance telephone calls from a flat rate of $1.50 per call to a per minute charge of 30 cents and as a result of this new billing procedure, the National Park Service has been assessed a projected amount that exceeds the amount programmed. These unbudgeted cost increases total $2.7 million. The Service proposes to assess the operating programs of park areas, Regional and Washington Offices in proportion to their initial allocation of funds for this fiscal year to cover this deficit.

The Regions and park areas have been notified that the entire amount of the pay supplemental, whenever it is received, will go in its entirety to them to help offset this current assessment against their operating programs. Your favorable consideration of this request will be appreciated.

This proposal is being transmitted in accordance with the agreement and understanding the Department has with the Senate and House Committees on Appropriations in regard to the reprogramming of funds. As provided under these guidelines, we intend to proceed with this reprogramming unless we hear otherwise from you within 30 days of your receipt of this letter. The Office of Management and Budget has no objection to this proposal.

A similar letter is being sent to the Honorable Mark O. Hatfield, Chairman, Committee on Appropriations, United States Senate.

Sincerely,

## Unemployment Compensation and Medicare Tax

Question: Please provide copies of FY 82 reprogramming used to pay unemployment compensation, and a copy of PL 96-499 with the appropriate section or sections marked (p.22). Also, provide copies of PL 97-248 with the appropriate sections marked. Is it accurate that the FY 84 Budget for NPS includes the $7,532,000 needed for unemployment compensation and medicare tax?

Answer: The $7,532,000 needed for unemployment compensation and Medicare tax is included in the fiscal 1984 budget. The requested reprogramming letter and Public Laws are as follows:

Attachment A
Bulletin No. 81-18

PUBLIC LAW 96-499 [H.R. 7765]; December 5, 1980

## OMNIBUS RECONCILIATION ACT OF 1980

*For Legislative History of Act, see p. 958*

An Act to provide for reconciliation pursuant to section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1981.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Omnibus Reconciliation Act of 1980.

## TITLE I—SHORT TITLE AND DECLARATION OF PURPOSE

### SHORT TITLE

SECTION 101. This Act may be cited as the "Omnibus Reconciliation Act of 1980".

### PURPOSE

SEC. 102. It is the purpose of this Act to implement the recommendations which were made by specified committees of the House of Representatives and the Senate pursuant to directions contained in section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1981 (H. Con. Res. 307, 96th Congress), and pursuant to the reconciliation requirements which were imposed by such concurrent resolution as provided in section 310 of the Congressional Budget Act of 1974. 31 USC 1331.

### "FEDERAL EMPLOYEES COMPENSATION ACCOUNT

"Sec. 909. There is hereby established in the Unemployment Trust and a Federal Employees Compensation Account which shall be used for the purposes specified in section 8509 of title 5, United States Code. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account.".

(b) Subchapter I of chapter 85, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 8509. Federal Employees Compensation Account

"(a) The Federal Employees Compensation Account (as established by section 909 of the Social Security Act, and hereafter in this section referred to as the 'Account') in the Unemployment Trust Fund (as established by section 904 of such Act) shall consist of—

"(1) funds appropriated to or transferred thereto, and

"(2) amounts deposited therein pursuant to subsection (c).

"(b) Moneys in the Account shall be available only for the purpose of making payments to States pursuant to agreements entered into under this subchapter and making payments of compensation under this subchapter in States which do not have in effect such an agreement.

"(c)(1) Each employing agency shall deposit into the Account amounts equal to the expenditures incurred under this subchapter on account of Federal service performed by employees and former employees of that agency.

"(2) Deposits required by paragraph (1) shall be made during each calendar quarter and the amount of the deposit to be made by any employing agency during any quarter shall be based on a determination by the Secretary of Labor as to the amounts of payments made prior to such quarter from the Account based on Federal service performed by employees of such agency after December 31, 1980, with respect to which deposit has not previously been made. The amount to be deposited by any employing agency during any calendar quarter shall be adjusted to take account of any overpayment or underpayment of deposit during any previous quarter for which adjustment has not already been made.

"(d) The Secretary of Labor shall certify to the Secretary of the Treasury the amount of the deposit which each employing agency is required to make to the Account during any calendar quarter, and the Secretary of the Treasury shall notify the Secretary of Labor as to the date and amount of any deposit made to such Account by any such agency.

"(e) Prior to the beginning of each fiscal year (commencing with the fiscal year which begins October 1, 1981) the Secretary of Labor shall estimate—

"(1) the amount of expenditures which will be made from the Account during such year, and

"(2) the amount of funds which will be available during such year for the making of such expenditures,

and if, on the basis of such estimate, he determines that the amount described in paragraph (2) is in excess of the amount necessary—

"(3) to meet the expenditures described in paragraph (1), and

"(4) to provide a reasonable contingency fund so as to assure that there will, during all times in such year, be sufficient sums available in the Account to meet the expenditures described in paragraph (1),

he shall certify the amount of such excess to the Secretary of the Treasury and the Secretary of the Treasury shall transfer, from the Account to the general fund of the Treasury, an amount equal to such excess.

"(f) The Secretary of Labor is authorized to establish such rules and regulations as may be necessary or appropriate to carry out the provisions of this section.

"(g) Any funds appropriated after the establishment of the Account, for the making of payments for which expenditures are authorized to be made from moneys in the Account, shall be made to the Account; and there are hereby authorized to be appropriated to the Account, from time to time, such sums as may be necessary to assure that there will, at all times, be sufficient sums available in the Account to meet the expenditures authorized to be made from moneys therein.".

(c) All funds appropriated which are available for the making of payments to States after December 31, 1980, pursuant to agreements entered into under subchapter I of chapter 85 of title 5, United States Code, or for the making of payments after such date of compensation under such subchapter in States which do not have in effect such an agreement, shall be transferred on January 1, 1981, to the Federal Employees Compensation Account established by section 909 of the Social Security Act. On and after such date, all payments described in the preceding sentence shall be made from such Account as provided by section 8509 of title 5, United States Code.

## PUBLIC LAW 97-248—SEPT. 3, 1982

# TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

## PART II—CHANGES IN BENEFITS, PREMIUMS, AND ENROLLMENT

### MEDICARE COVERAGE OF FEDERAL EMPLOYEES

**Sec. 121. For provisions providing certain employees of the United States and instrumentalities thereof with entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act, see section 278 of this Act.**

## PART III—MEDICARE COVERAGE

### SEC. 278. MEDICARE COVERAGE OF, AND APPLICATION OF HOSPITAL INSURANCE TAX TO, FEDERAL EMPLOYMENT.

(a) APPLICATION OF HOSPITAL INSURANCE TAX TO FEDERAL EMPLOYMENT.—

(1) IN GENERAL.—Section 3121 (relating to definitions for purposes of the Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(u) APPLICATION OF HOSPITAL INSURANCE TAX TO FEDERAL EMPLOYMENT.—

"(1) IN GENERAL.—For purposes of the taxes imposed by sections 3101(b) and 3111(b)—

"(A) paragraph (6) of subsection (b) shall be applied without regard to subparagraphs (A), (B), and (C)(i), (ii), and (vi) thereof, and

"(B) paragraph (5) of subsection (b) (and the provisions of law referred to therein) shall not apply.

"(2) MEDICARE QUALIFIED FEDERAL EMPLOYMENT.—For purposes of this chapter, the term 'medicare qualified Federal employment' means service which—

"(A) is employment (as defined in subsection (b)) with the application of paragraph (1), but

"(B) would not be employment (as so defined) without the application of paragraph (1)."

(2) CONFORMING AMENDMENT TO SELF-EMPLOYMENT TAX.—Section 1402(b) (relating to self-employment income) is amended in the second sentence by striking out "and" before "(B)" and by inserting before the period the following: ", and (C) includes, but only with respect to the tax imposed by section 1401(b), remuneration paid for medicare qualified Federal employment (as defined in section 3121(u)(2)) which is subject to the taxes imposed by sections 3101(b) and 3111(b)".

(3) CONFORMING AMENDMENT TO FEDERAL SERVICE.—Section 3122 (relating to federal service) is amended in the first sentence by inserting "including service which is medicare quali-

fied Federal employment (as defined in section 3121(u)(2))," after "wholly owned by the United States,".

(b) Entitlement to Hospital Insurance Benefits.—

(1) Definition of medicare qualified federal employment.—Section 210 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Medicare Qualified Federal Employment

"(p) For purposes of sections 226 and 226A, the term 'medicare qualified Federal employment' means any service which would constitute 'employment' as defined in subsection (a) of this section but for the application of the provisions of—

"(1) subparagraph (A), (B), or (C)(i), (ii), or (vi) of subsection (a)(6), or

"(2) subsection (a)(5).".

(2) Entitlement to hospital insurance benefits.—

(A) For individuals age 65 or older.—Section 226(a)(2) of the the Social Security Act is amended—

(i) by inserting "(A)" after "(2)";

(ii) by striking out "or is a qualified railroad retirement beneficiary," at the end of subparagraph (A); and

(iii) by inserting after subparagraph (A) the following new subparagraphs:

"(B) is a qualified railroad retirement beneficiary, or

"(C)(i) would meet the requirements of subparagraph (A) upon filing application for the monthly insurance benefits involved if medicare qualified Federal employment (as defined in section 210(p)) were treated as employment (as defined in section 210(a)) for purposes of this title, and (ii) files an application, in conformity with regulations of the Secretary, for hospital insurance benefits under part A of title XVIII,".

(B) Entitlement for disabled individuals.—

(i) In general.—Section 226(b)(2) of the Social Security Act is amended by striking out "(B)" and all that follows through "1974," and adding at the end the following:

"(B) is, and has been for not less than 24 months, a disabled qualified railroad retirement beneficiary, within the meaning of section 7(d) of the Railroad Retirement Act of 1974, or

"(C)(i) has filed an application, in conformity with regulations of the Secretary, for hospital insurance benefits under part A of title XVIII pursuant to this subparagraph, and

"(ii) would meet the requirements of subparagraph (A) (as determined under the disability criteria, including reviews, applied under this title), including the requirement that he has been entitled to the specified benefits for 24 months, if—

"(I) medicare qualified Federal employment (as defined in section 210(p)) were treated as employment (as defined in section 210(a)) for purposes of this title, and

"(II) the filing of the application under clause (i) of this subparagraph were deemed to be the filing of an application for the disability-related benefits referred to in clause (i), (ii), or (iii) of subparagraph (A),".

(ii) CLARIFICATION OF PERIOD OF ENTITLEMENT.—Section 226(b) of such Act is further amended by adding after the first sentence the following new sentence: "In applying the previous sentence in the case of an individual described in paragraph (2)(C), the 'twenty-fifth month of his entitlement' refers to the first month after the twenty-fourth month of entitlement to specified benefits referred to in paragraph (2)(C) and 'notice of termination of such entitlement' refers to a notice that the individual would no longer be determined to be entitled to such specified benefits under the conditions described in that paragraph.".

(C) ENTITLEMENT FOR INDIVIDUALS WITH END-STAGE RENAL DISEASE.—Paragraph (1) of section 226A(a) of the Social Security Act is amended to read as follows:

"(1)(A) is fully or currently insured (as such terms are defined in section 214), or would be fully or currently insured if (i) his service as an employee (as defined in the Railroad Retirement Act of 1974) after December 31, 1936, were included within the meaning of the term 'employment' for purposes of this title, and (ii) his medicare qualified Federal employment (as defined in section 210(p)) were included within the meaning of the term 'employment' for purposes of this title;

"(B)(i) is entitled to monthly insurance benefits under this title, (ii) is entitled to an annuity under the Railroad Retirement Act of 1974, or (iii) would be entitled to a monthly insurance benefit under this title if medicare qualified Federal employment (as defined in 210(p)) after December 31, 1982, were included within the meaning of the term 'employment' for purposes of this title; or

"(C) is the spouse or dependent child (as defined in regulations) of an individual described in subparagraph (A) or (B);".

(3) CONFORMING AMENDMENT.—Section 1811 of the Social Security Act is amended—

(A) by inserting "(or would be eligible for such benefits if certain Federal employment were covered employment under such title)" after "title II of this Act" in clause (1), and

(B) by inserting "(or would have been so entitled to such benefits if certain Federal employment were covered employment under such title)" after "title II of this Act" in clause (2).

(4) NOTICE TO INDIVIDUALS WHO ARE PROSPECTIVE MEDICARE BENEFICIARIES BASED ON FEDERAL EMPLOYMENT.—Section 226 of such Act is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) The Secretary and Director of the Office of Personnel Management shall jointly prescribe and carry out procedures designed to assure that all individuals who perform medicare qualified Federal employment are fully informed with respect to (1) their eligibility or potential eligibility for hospital insurance benefits (based on such employment) under part A of title XVIII, (2) the requirements for and conditions of such eligibility, and (3) the necessity of timely application as a condition of entitlement under subsection (b)(2)(C), giving particular attention to individuals who apply for an annuity under chapter 83 of title 5, United States Code, or under another similar Federal retirement program, and whose eligibility for such an annuity is or would be based on a disability.".

(c) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to remuneration paid after December 31, 1982.

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) are effective on and after January 1, 1983, and the amendments made by paragraph (3) of that subsection apply to remuneration (for medicare qualified Federal employment) paid after December 31, 1982.

(B) TREATMENT OF CURRENT DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b) or the provisions of subsection (d), no individual may be considered to be under a disability for any period before January 1, 1983.

(d) TRANSITIONAL PROVISIONS.—

(1) IN GENERAL.—For purposes of sections 226, 226A, and 1811 of the Social Security Act, in the case of any individual—

(A) who performs service both during January 1983, and before January 1, 1983, which constitutes medicare qualified Federal employment (as defined in section 210(p) of such Act) and

(B) who would be entitled, under section 226(a)(2)(C), 226(b)(2)(C), 226A(a)(1)(A)(ii), or 226A(a)(1)(B)(iii) of such Act, to hospital insurance benefits under part A of title XVIII of such Act but for the failure to include medicare qualified Federal employment (as so defined) within the meaning of the term "employment" for purposes of title II of such Act for remuneration paid before January 1, 1983,

the individual's medicare qualified Federal employment (as so defined) performed before January 1, 1983, for which remuneration was paid before such date, shall be considered to be "employment" (as so defined), but only for the purpose of providing such entitlement.

(2) ELIGIBILITY OF OTHER PERSONS.—Any individual who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act by reason of the application of paragraph (1) of this subsection, shall be deemed to be entitled to an old-age benefit under section 202 of such Act, or a disability benefit under section 223 of such Act, for purposes of determining eligibility for such hospital insurance benefits for any other person. In applying this paragraph, any such other person who would be entitled to a monthly benefit under section 202 of such Act if such individual (to whom paragraph (1) applies) were entitled to such old-age or disability benefit, shall be deemed to

be entitled to such monthly benefit, but only for purposes of determining such person's eligibility for hospital insurance benefits.

(3) APPROPRIATIONS.—There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund from time to time such sums as the Secretary of Health and Human Services deems necessary for any fiscal year, on account of—

(A) payments made or to be made during such fiscal year from such Trust Fund with respect to individuals who are entitled to benefits under title XVIII of the Social Security Act solely by reason of paragraph (1) or (2) of this subsection,

(B) the additional adminstrative expenses resulting or expected to result therefrom, and

(C) any loss in interest to such Trust Fund resulting from the payment of those amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year as it would have been in if this subsection had not been enacted.

### Comparative Funding Levels

Question: For the out of park items listed on pages 24 - 26, provide comparable funding levels for FY 80 - 83. For the Emergency activities cost of $2,891,000, provide a narrative comparing the use of these funds with the fire suppression amounts provided annually and the emergency construction amounts available. Also, describe how the funds are managed (contingency account, regional office, etc.).

Answer: The following table reflects the funding levels (in thousands) of the out of park items during FY 80 - 83:

| | FY 1980 | FY 1981 | FY 1982 | FY 1983 |
|---|---|---|---|---|
| Servicewide Training | 3,693 | 2,598 | 2,087 | 2,609 |
| Student Conservation Program | 360 | 398 | 415 | 415 |
| Quarters Evaluation | 187 | 187 | 187 | 187 |
| Appalachian Trail | 174 | 632 | 617 | 647 |
| Statistical Assistance | 154 | 184 | 190 | 197 |
| Professional Publications | 144 | 150 | 154 | 158 |
| Emergencies | 1,600 | 2,100 | 3,229 | 2,891 |
| Incidental Personnel Expenses | 1,531 | 1,601 | 1,710 | 2,245 |
| Total | 7,843 | 7,850 | 8,589 | 9,349 |

The $2,891,000 budgeted for Emergency activities is used to cover costs incurred from storm and flood damage, search and rescue operations and structural fire damage. These funds will not cover forest or range fires.

The Forest Fire Suppression and Rehabilitation of Burned Areas activity is used to prevent or suppress forest and range wildfire in or near park areas when human life, natural and cultural resources, or park facilities are threatened. It is also used to rehabilitate burned areas to their natural state and to eliminate fire hazards. These funds are not used to cover structural fire damage or rehabilitation of those structures.

The $3,000,000 included in the "Construction" budget request under the title, "Emergency and Unscheduled Projects Lump Sum Program", is used primarily to accomplish minor emergency and unscheduled construction projects which cannot be foreseen over a long time period. This fund allows small unscheduled construction needs to be met quickly without lengthy review and appropriation process delay. While the fund is used occasionally to repair facilities damaged by storms or fires, it is often used for routine purposes such as correcting deficiencies resulting from breakdowns or gradual deterioration and improving existing facilities to provide for the safe and uninterrupted use of park facilities.

The Emergency Program under the Park Management activity and the Forest Fire Suppression and Rehabilitation of Burned Areas activity are controlled and managed in the central office. Requests for these funds from the Regions are reviewed by the central office and those approved are then allocated to the respective Regions.

The Emergency and Unscheduled Projects Lump Sum Program under the "Construction" appropriation is managed at the Washington Office level. Tentative lump sum projects are distributed equally wherever possible among the Regions based on Regional priority lists and project justifications submitted at the beginning of the fiscal year. During the course of the year, substitute projects are established if more important needs occur.

### Cost and FTE Data

Question: For the activities listed on p. 29-30, provide comparable cost/FTE data for FY 81-FY 83. Provide additional justification for #4, the offsite programs, with a listing of park units affected.

Answer: The table below shows comparable cost and FTE figures for fiscal 1980-1983 for interpretive activities in the parks.

### Interpretation and Visitor Services
### Summary of Staff and Fundings Levels
### ($ in thousands)

| | | Fiscal 1981 | Fiscal 1982 | Fiscal 1983 |
|---|---|---|---|---|
| General Information and Orientation Services | $ | 21,968 | 23,342 | 25,123 |
| | (FTE) | (810) | (829) | (917) |
| Other Interpretive Services | $ | 12,628 | 13,254 | 14,678 |
| | (FTE) | (578) | (594) | (661) |
| Demonstrations | $ | 3,942 | 4,130 | 4,408 |
| | (FTE) | (162) | (165) | (179) |
| Offsite Programs | $ | 1,680 | 1,412 | 760 |
| | (FTE) | (72) | (63) | (35) |
| Formal Education Activities | $ | 447 | 500 | 533 |
| | (FTE) | (19) | (19) | (21) |
| Fee Collection Activities | $ | 4,856 | 5,087 | 5,428 |
| | (FTE) | (261) | (265) | (288) |
| Total | $ | 45,521 | 47,725 | 50,930 |
| | (FTE) | (1,902) | (1,935) | (2,101) |

Offsite programs are conducted by National Park Service personnel for a variety of purposes. They represent an opportunity for the Service to improve public awareness and understanding of park values, and the management policies implemented by the National Park Service to preserve those values. These programs include presentations by rangers to schools and other interested organizations, liaison with community groups, contacts with the travel and tourism industry and coordination with local governmental organizations. Park areas are often an important attraction for a local community. Offsite programs help foster good relations with local groups and build support for the park. Offsite activities have generally been curtailed in recent years, in part to help maintain in-park programs. The base amount shown in the budget consists of the following park programs:

| | Funds ($000s) | FTE |
|---|---|---|
| Bandelier National Monument | $ 25.5 | 1.3 |
| Big South Fork National River and Recreation Area | 20.7 | 1.0 |
| Cape Hatteras National Seashore | 1.6 | .1 |
| Cape Lookout National Seashore | 13.5 | .4 |
| Craters of the Moon National Monument | 1.6 | .1 |
| Crater Lake National Park | 1.6 | .1 |
| Colorado National Monument | 5.6 | .3 |
| Gateway National Recreation Area | 436.8 | 16.0 |
| Golden Gate National Recreation Area | 81.3 | 3.2 |
| Great Smoky Mountains National Park | 8.8 | .4 |
| Lake Mead National Recreation Area | 15.1 | 1.4 |
| Mammoth Cave National Park | 20.7 | .7 |
| Natchez Trace Parkway | 34.3 | 1.3 |
| Ozark National Scenic Riverways | 7.2 | .5 |
| Pea Ridge National Military Park | 3.2 | .1 |
| Redwood National Park | 17.5 | .4 |
| Richmond National Battlefield Park | 50.2 | 4.1 |
| Santa Monica Mountains National Recreation Area | 48.6 | 3.3 |
| Tuskegee Institute National Historic Site | 3.2 | .3 |
| Total | 797.0 | 35.0 |

### Campground Reservation System

Question: What additional areas are being considered for campground reservation systems in FY 1984 (p. 31)? Is the NPS considering starting additional reservation systems (other than campground) in FY 84 (such as boat tickets at the Statue of Liberty, etc.)?

Answer: At this time no additional parks are being planned for inclusion to the campground reservation system in fiscal 1984. However, the existing contract does allow for moderate growth if the National Park Service makes that determination.

The National Park Service expects to include Mammoth Cave National Park cave tours to the reservation system by fiscal 1984 and will be exploring the possibility of including Scotty's Castle tours at Death Valley National Monument and backcountry permits in at least one western park.

### In-Park Transportation Systems

Question: Last year, the Committee considered proposals to reduce funding for in-park transportation systems and rejected those proposals until it had a concrete plan in hand that would show how the park resources would be protected without those systems in place. The budget justification (p. 31) can't be considered a complete plan. Can the Service provide any details on a park by park basis that can reassure the Committee?

Answer: Concessioner operation and other options are still under review for the remaining visitor transportation systems in parks. Alternative transportation methods will be employed at these parks as is practicable. In no case will resource protection and visitor service requirements at each of these parks be left unmet.

### Fee Systems

Question: Provide a complete list of recreation entrance fees and user fees within the Park System for FY 81, 82 83 and your proposals for FY 84 (p. 33). (Suggestion: Set up park name and service provided (entrance or parking or etc.) as stub entries in a table and set up years and costs as column headings). Which 15 will be increased in FY 84?

Answer: No entrance fees will be increased in fiscal 1984 unless the law is changed. Increases in user fees will be based on park comparability studies completed this summer and any increases in park budgets which will allow for expanded collection programs.

Entrance fees have been frozen since 1979 so the 1983 rates are the same as in fiscal 1981 through 1983. User fees for fiscal 1981, 1982 and 1983 and entrance fees for 1983 are as follows:

## User Fees

| | | |
|---|---|---|
| 1. | Parks with Fee Campgrounds | 67 |
| | Parks not Qualifying under Fee Criteria | 36 |
| | Total Parks with Campgrounds | 103 |
| 2. | CAMPGROUNDS | |
| | Fee Campgrounds | 214 |
| | Non-Fee Campgrounds | 224 |
| | Total Campgrounds | 438 |
| 3. | CAMPSITES | |
| | Fee Campsites | 24,957 |
| | Campsites not Qualifying Under Fee Criteria | 3,605 |
| | Total Campsites | 28,562 |
| 4. | Parks with Other Fees | 16 |

Some parks have 2 types of user fees. Our records do not separate such fees and as a result, total user fees are listed under the activity which net the most dollars.

EXAMPLE:

Mammoth Cave National Park has user fees for both cave tours and for camping. Since the majority of user fees collected are from cave tours, the entire user fee amount is listed under the "User Fee -Other" category, with reference made under the "User Fee - Campgrounds" section.

This separation of activity revenue will be made in the 1982 Annual Fee Report.

| | | FEE | | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 1. Acadia N.P. | | | | | |
| Blackwoods | 325 | 4.00 | 6.00 | 6.00 | 0 |
| Seawall | 218 | 4.00 | 6.00 | 6.00 | 0 |
| (Seawall-walkin) | | 2.00 | 3.00 | 3.00 | 0 |
| adv. camping res. | | 1.00 | 1.00 | 1.00 | 0 |
| 2. Amistad N.R.A. | | | | | |
| Various locations | 70 | 0 | 0 | 0 | 0 |
| 3. Antietam N.B. | | | | | |
| Rohrback (group) | 4 | 0 | 0 | 0 | 0 |
| 4. Apostle Islands N.L. | | | | | |
| Various locations | 49 | 0 | 0 | 0 | 0 |
| 5. Arches N.P. | | | | | |
| Devils Garden | 53 | 2.00 | 4.00 | 4.00 | 0 |
| Group Camping | | 1.00 | 1.00 | 1.00 | 0 |
| | | 10.00 | 10.00 | 10.00 | 0 |
| 6. Assateague Island N.S. | | | | | |
| North Beach | 86 | 3.00 | 5.00 | 5.00 | 0 |
| North Beach Group | 5 | 5.00 | 6.00 | 6.00 | 0 |
| Bayside | 40 | 3.00 | 5.00 | 5.00 | 0 |
| Off-Road Vehicles | 17 | 0 | 0 | 15.00 | 0 |
| 7. Badlands N.M. | | | | | |
| Cedar Pass | 136 | 4.00 | 6.00 | 6.00 | 0 |
| | | 1.00 | 1.00 | 1.00 | 0 |
| Group Camping | | 10.00 | 10.00 | 10.00 | 0 |
| 8. Bandelier N.M. | | | | | |
| Juniper | 93 | 5.00 | 5.00 | 5.00 | 0 |
| Ponderosa-group | 4 | .25 | .50 | .50 | 0 |
| | | | 5.00 | 5.00 | 0 |
| 9. Big Bend N.P. | | | | | |
| Chisos Mtn. Basin | 58 | 2.00 | 4.00 | 4.00 | 0 |
| Rio Grande Village | 99 | 2.00 | 4.00 | 4.00 | 0 |
| Cottonwood | 34 | 0 | 2.00 | 2.00 | 0 |
| Castolon-S.E. Group | | 5.00 | 1.00 | 1.00 | 0 |
| | | | 5.00 | 5.00 | 0 |
| 10. Bighorn Canyon N.R. | | | | | |
| Horseshoe Bend | 125 | 2.00 | 3.00 | 3.00 | 0 |

| | | | FEE | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 11.Biscayne N.P. | | | | | |
| Elliott Key | 35 | 0 | 0 | 0 | 0 |
| 12.Black Canyon of the Gunnison N.M. | | | | | |
| South Rim | 102 | 1.00 | 3.00 | 3.00 | 0 |
| 13.Blue Ridge Parkway | | | | | |
| Crabtree Meadows | 93 | 3.00 | 5.00 | 6.00 | 20 |
| Doughton Park | 136 | 3.00 | 5.00 | 6.00 | 20 |
| Linville Falls | 75 | 3.00 | 5.00 | 6.00 | 20 |
| Otter Creek | 67 | 3.00 | 5.00 | 6.00 | 20 |
| Peaks of Otter | 148 | 3.00 | 5.00 | 6.00 | 20 |
| Mt. Pisgah | 140 | 3.00 | 5.00 | 6.00 | 20 |
| Julian Price | 197 | 3.00 | 5.00 | 6.00 | 20 |
| Roanoke Mt. | 105 | 3.00 | 5.00 | 6.00 | 20 |
| Rocky Knob | 109 | 3.00 | 5.00 | 6.00 | 20 |
| 14.Booker T. Washington | | | | | |
| Group | 4 | 0 | 0 | 0 | 0 |
| 15.Bryce Canyon N.P. | | | | | |
| North | 111 | 2.00 | 4.00 | 5.00 | 25 |
| Sunset | 115 | 2.00 | 4.00 | 5.00 | 25 |
| Group | | 5.00 | 1.00 | 1.00 | 0 |
| | | | 10.00 | 10.00 | 0 |
| 16.Buffalo N.R. | | | | | |
| Buffalo Point | 118 | 3.00 | 3.00 | 3.50 | 17 |
| | | | 5.00 | 5.50 | 10 |
| Group | | | 1.00 | | 0 |
| | | | 10.00 | | |
| 17.Canyon De Chelly N.M. | | | | | |
| Cottonwood | 95 | 0 | 0 | 0 | 0 |
| 18.Canyonlands N.P. | | | | | |
| Squaw Flat | 36 | 3.00 | 4.00 | 4.00 | 0 |
| Willow Flat | 12 | 0 | 0 | 0 | 0 |
| Group | | 1.00 | 1.00 | 1.00 | 0 |
| | | 10.00 | 10.00 | 10.00 | 0 |
| 19.Cape Hatteras N.S. | | | | | |
| Cape Point | 202 | 4.00 | 6.00 | 6.00 | 0 |
| Frisco | 136 | 4.00 | 6.00 | 6.00 | 0 |
| Ocracoke | 135 | 4.00 | 6.00 | 6.00 | 0 |
| Oregon Inlet | 120 | 4.00 | 6.00 | 6.00 | 0 |
| Salvo | 142 | 4.00 | 6.00 | 6.00 | 0 |

| | | | FEE | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 20.Cape Lookout N.S. | 0 | 0 | 0 | 0 | 0 |
| 21.Capitol Reef N.P. | | | | | |
| Capitol Reef | 53 | 2.00 | 3.00 | 4.00 | 33 |
| Cedar Mesa | 5 | | | | |
| Group | | .50 | .50 | 1.00 | 100 |
| | | 5.00 | 5.00 | 10.00 | |
| 22.Catoctin Mountain Park | | | | | |
| Owens Creek | 51 | 2.00 | 4.00 | 4.00 | 0 |
| Poplar Grove | | 0 | 0 | 0 | |
| 23.Cedar Breaks N.M. | | | | | |
| Point Supreme | 30 | 2.00 | 3.00 | 3.00 | 0 |
| 24.Chaco Canyon N.M. | | | | | |
| Gallo Wash | 35 | 0 | 0 | 0 | 0 |
| 25.Channel Islands N.P. | | | | | |
| Anacapa Island | | 0 | 0 | 0 | 0 |
| Santa Barbara Island | | 0 | 0 | 0 | 0 |
| 26.Chesapeake & Ohio Canal N.H.P. | | | | | |
| 5 Campgrounds | 107 | 0 | 0 | 0 | 0 |
| 27.Chickasaw N.R.A. | | | | | |
| Buckhorn | 177 | 3.00 | 5.00 | 5.00 | 0 |
| Cold Springs | 63 | 3.00 | 5.00 | 5.00 | 0 |
| Guy Sandy | 40 | 3.00 | 5.00 | 5.00 | 0 |
| The Point | 52 | 3.00 | 5.00 | 5.00 | 0 |
| Rock Creek | 106 | 3.00 | 5.00 | 5.00 | 0 |
| Central (Group) | | .50 | 1.00 | 1.00 | 0 |
| | | 5.00 | 10.00 | 10.00 | 0 |
| 28.Chiricahua N.M. | | | | | |
| Bonita Canyon | 30 | 2.00 | 4.00 | 4.00 | 0 |
| 29.Colorado N.M. | | | | | |
| Saddle Horn | 81 | 2.00 | 4.00 | 5.00 | 25 |
| 30.Coulee Dam N.R.A. | | | | | |
| Evans | 34 | 3.00 | 5.00 | 5.00 | 0 |
| Fort Spokane | 67 | 3.00 | 5.00 | 5.00 | 0 |
| Kettle Falls | 89 | 3.00 | 5.00 | 5.00 | 0 |
| Porcupine Bay | 31 | 3.00 | 5.00 | 5.00 | 0 |
| Spring Canyon | 87 | 3.00 | 5.00 | 5.00 | 0 |

| | | FEE | | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 31.Crater Lake N.P. | | | | | |
| Lost Creek | 12 | 0 | 0 | 0 | 0 |
| Mazama | 200 | 3.00 | 5.00 | 5.50 | 10 |
| 32.Craters of the Moon N.M. | | | | | |
| Lava Flow | 51 | 2.00 | 5.00 | 5.00 | 0 |
| 33.Cumberland Gap N.H.P. | | | | | |
| Chadwell Gap | 4 | 2.00 | 4.00 | 4.00 | 0 |
| Gibson Gap | 3 | 2.00 | 4.00 | 4.00 | 0 |
| Martin's Fork | 6 | 2.00 | 4.00 | 4.00 | 0 |
| White Rocks | | 0 | 0 | 0 | 0 |
| Wilderness Road | 160 | 2.00 | 4.00 | 4.00 | 0 |
| Group | | | .25 | .50 | 100 |
| 34.Cumberland Island N.S. | | | | | |
| Backcountry | | 0 | 0 | 0 | 0 |
| Sea Cap | 16 | 0 | 0 | 0 | 0 |
| 35.Curecanti N.R.A. | | | | | |
| Camarron | 10 | 0 | 0 | 0 | 0 |
| Elk Creek | 175 | 3.00 | 5.00 | 5.00 | 0 |
| Lake Fork | 150 | 3.00 | 5.00 | 5.00 | 0 |
| Stevens Creek | 75 | 1.00 | 4.00 | 4.00 | 0 |
| Simeron | | | 5.00 | 5.00 | 0 |
| Group | | | .50 | .50 | 0 |
| 36.Death Valley N.M. | | | | | |
| Emigrant | 10 | 0 | 0 | 0 | 0 |
| Furnace Creek | 200 | 1.00 | 3.00 | 4.00 | 33 |
| Mahogany Flat | 10 | 0 | 0 | 0 | 0 |
| Mesquite Springs | 64 | 2.00 | 4.00 | 4.00 | 0 |
| Stove Pipe Wells | 200 | 2.00 | 4.00 | 4.00 | 0 |
| Sunset | 1000 | 1.00 | 3.00 | 4.00 | 33 |
| Texas Springs | 100 | 1.00 | 3.00 | 4.00 | 33 |
| Thorndike | 8 | 0 | 0 | 0 | 0 |
| Wildrose | 38 | 0 | 0 | 0 | 0 |
| Group | | .25 | .50 | 1.00 | 100 |
| 37.Denali N.P. | | | | | |
| Igloo | 7 | 0 | 0 | 0 | 0 |
| Morino | 10 | 0 | 0 | 0 | 0 |
| Riley Creek | 102 | 4.00 | 6.00 | 6.00 | 0 |
| Santuary | 7 | 0 | 0 | 0 | 0 |
| Savage | 24 | 4.00 | 6.00 | 6.00 | 0 |
| Teklanika | 50 | 2.00 | 4.00 | 6.00 | 50 |
| Wonder Lake | 20 | 4.00 | 6.00 | 6.00 | 0 |

| PARK AND CAMPGROUNDS | SITES | 1980 1981 | FEE 1982 | 1983 | 1983 PERCENT INCREASE |
|---|---|---|---|---|---|
| 38.Devils Postpile N.M. | | | | | |
| Devils Postpile | 23 | 3.00 | 5.00 | 5.00 | 0 |
| 39.Devils Tower N.M. | | | | | |
| Belle Fourche River | 51 | 4.00 | 6.00 | 6.00 | 0 |
| Group | | | | 1.00<br>6.00 | 0 |
| 40.Dinosaur N.M. | | | | | |
| Green River | 99 | 2.00 | 4.00 | 4.00 | 0 |
| Split Mountain | 35 | 2.00 | 4.00 | 4.00 | 0 |
| 41.El Morro N.M. | 9 | 0 | 0 | 0 | 0 |
| 42.Everglades N.P. | | | | | |
| Flamingo | 237 | 3.00 | 5.00 | 5.00 | 0 |
| | | 2.00 | 4.00 | 4.00 | 0 |
| Long Pine | 107 | 3.00 | 5.00 | 5.00 | 0 |
| 43.Fire Island N.S. | | | | | |
| Group Camp | 0 | 0 | 0 | 0 | 0 |
| Watch Hill | 20 | 0 | 0 | 0 | 0 |
| 44.Fort Jefferson N.M. | | | | | |
| Camp | 8 | 0 | 0 | 0 | 0 |
| 45.Gila Cliff Dwellings N.M. | | | | | |
| Lower Scorpion | 7 | 0 | 0 | 0 | 0 |
| Upper Scorpion | 13 | 0 | 0 | 0 | 0 |
| 46.Glacier Bay N.M. | | | | | |
| Wilderness | 25 | 0 | 0 | 0 | 0 |
| 47.Glacier N.P. | | | | | |
| Apgar | 196 | 3.00 | 5.00 | 6.00 | 20 |
| Avalanche | 87 | 3.00 | 5.00 | 6.00 | 20 |
| Bowman Lake | 48 | 2.00 | 3.00 | 4.00 | 33 |
| Cut Bank | 19 | 2.00 | 3.00 | 4.00 | 33 |
| Fish Creek | 180 | 3.00 | 5.00 | 6.00 | 20 |
| Kintla Lake | 19 | 2.00 | 3.00 | 4.00 | 33 |
| Logging Creek | 8 | 2.00 | 3.00 | 4.00 | 33 |
| Many Glacier | 117 | 3.00 | 5.00 | 6.00 | 20 |
| Rising Sun | 82 | 3.00 | 5.00 | 6.00 | 20 |
| River | 7 | 2.00 | 3.00 | 4.00 | 33 |
| Sprague Creek | 25 | 3.00 | 5.00 | 6.00 | 20 |
| St. Mary Lake | 156 | 3.00 | 5.00 | 6.00 | 20 |
| Two Medicine | 99 | 3.00 | 5.00 | 6.00 | 20 |
| Backcountry Camps | 70 | 0 | 0 | 0 | 0 |

| | | | FEE | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 48.Glen Canyon N.R.A. | | | | | |
| Bullfrog | 86 | 2.00 | 5.00 | 5.00 | 0 |
| Halls Crossing | 65 | 0 | 0 | 0 | 0 |
| Hite | 6 | 0 | 0 | 0 | 0 |
| Lees Ferry | 56 | 2.00 | 5.00 | 5.00 | 0 |
| Wahweap | 178 | 2.00 | 5.00 | 5.00 | 0 |
| Group | | | 1.00 | 1.00 | 0 |
| | | | 10.00 | 10.00 | 0 |
| 49.Golden Gate N.R.A. | | | | | |
| 4 Campgrounds | 14 | 0 | 0 | 0 | 0 |
| 50.Grand Canyon N.P. | | | | | |
| North Rim | 82 | 3.00 | 5.00 | 6.00 | 20 |
| Desert View | 50 | 2.00 | 4.00 | 5.00 | 25 |
| Mather | | 3.00 | 5.00 | 6.00 | 20 |
| Hike-In | 155 | 0 | 0 | 0 | 0 |
| Group | | | 1.00 | 2.00 | 100 |
| 51.Grand Portage N.M. | | | | | |
| Fort Charlotte | 2 | 0 | 0 | 0 | 0 |
| 52.Grand Teton N.P. | | | | | |
| Group | 0 | .50 | 1.00 | 1.00 | 0 |
| Colter | 350 | 4.00 | 6.00 | 7.00 | 17 |
| Gros Ventre | 360 | 4.00 | 6.00 | 7.00 | 17 |
| Jenny Lake | 49 | 4.00 | 6.00 | 7.00 | 17 |
| Lizard Creek | 60 | 4.00 | 6.00 | 7.00 | 17 |
| Signal Mountain | 86 | 4.00 | 6.00 | 7.00 | 17 |
| 53.Great Sand Dunes | | | | | |
| Dunes | 20 | 0 | 0 | 0 | 0 |
| Pinyon Flat | 88 | 3.00 | 5.00 | 5.00 | 0 |
| Group | 0 | .25 | .50 | .50 | 0 |
| | 0 | 5.00 | 10.00 | 10.00 | 0 |
| 54.Great Smoky Mts. N.P. | | | | | |
| Abrams | 16 | 0 | 0 | 0 | 0 |
| Balsams | 46 | 4.00 | 6.00 | 6.00 | 0 |
| Big Creek | 9 | 0 | 0 | 0 | 0 |
| Cades Cove | 161 | 4.00 | 6.00 | 6.00 | 0 |
| Cataloochee | 27 | 0 | 0 | 0 | 0 |
| Cosby | 175 | 4.00 | 6.00 | 6.00 | 0 |
| Deep Creek | 119 | 4.00 | 6.00 | 6.00 | 0 |
| Elkmont | 220 | 4.00 | 6.00 | 6.00 | 0 |
| Look Rock | 92 | 4.00 | 6.00 | 6.00 | 0 |
| Smokemont | 150 | 4.00 | 6.00 | 6.00 | 0 |
| Trail Shelters | 14 | 0 | 0 | 0 | 0 |
| Misc. Camps | 95 | 0 | 0 | 0 | 0 |
| Group | | | .50 | 1.00 | 100 |
| | | | 6.00 | 12.00 | 100 |

| PARK AND CAMPGROUNDS | SITES | FEE | | | |
|---|---|---|---|---|---|
| | | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 55.Greenbelt Park | | | | | |
| Greenbelt Park | 174 | 2.00 | 4.50 | 4.50 | 0 |
| 56.Guadalupe Mt. N.P. | | | | | |
| Pine Springs Canyon | 20 | 0 | 0 | 0 | 0 |
| 57.Gulf Islands N.S. | | | | | |
| Fort Pickens | 165 | 4.00 | 6.00 | 8.00 | 33 |
| Davis Bayou | 51 | 3.00 | 6.00 | 8.00 | 33 |
| (plus $2 for electric) | | | | | |
| Group | | | 1.00 | 1.00 | |
| 58.Haleakala N.P. | | | | | |
| 4 Campgrounds | 25 | 0 | 0 | 0 | 0 |
| Cabin Rental | | 1.00c | 2.00c | 2.00c | 0 |
| | | 2.00a | 4.00a | 4.00a | 0 |
| 59.Hawaii Volcanoes N.P. | | | | | |
| 3 Campgrounds | 25 | 0 | 0 | 0 | 0 |
| 60.Hot Springs N.P. | | | | | |
| Gulpha Gorge | 47 | 3.00 | 5.00 | 5.00 | 0 |
| 61.Hovenweep N.M. | | | | | |
| Square Tower Ruin | 31 | 0 | 0 | 2.00 | 200 |
| 62.Isle Royale N.P. | 202 | 0 | 0 | 0 | 0 |
| 31 Campgrounds | | | | | |
| 63.John D. Rockfeller | | | | | |
| Jr. Memorial Parkway | 0 | 0 | 0 | 0 | 0 |
| Snake River | 24 | 4.00 | 6.00 | 7.00 | 17 |
| Group | | .50 | .50 | .50 | 0 |
| 64.John Day Fossil Beds N.M. | | | | | |
| Painted Hills | 10 | 0 | 0 | 0 | 0 |
| 65.Joshua Tree N.M. | | | | | |
| 7 Campgrounds | 379 | 0 | 0 | 0 | 0 |
| Black Rock Canyon | 100 | 2.00 | 4.00 | 5.00 | 25 |
| Cottonwood Spring | 62 | 2.00 | 4.00 | 5.00 | 25 |
| 66.Katmai N.P. | | | | | |
| Brooks River | 29 | 0 | 0 | 0 | 0 |

| | | FEE | | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 67.Kings Canyon N.P. | | | | | |
| Azalea | 108 | 2.00 | 4.00 | 5.00 | 25 |
| Crystal Springs | 57 | 2.00 | 4.00 | 5.00 | 25 |
| Sunset | 213 | 2.00 | 4.00 | 5.00 | 25 |
| Canyon View | 67 | 2.00 | 4.00 | 5.00 | 25 |
| Moraine | 124 | 2.00 | 4.00 | 5.00 | 25 |
| Sentinel | 86 | 2.00 | 4.00 | 5.00 | 25 |
| Sheep Creek | 113 | 2.00 | 4.00 | 5.00 | 25 |
| 68.Klondike Gold Rush N.H.P. | | | | | |
| Klondike | 22 | 0 | 0 | 0 | 0 |
| 69.Lake Chelan N.R.A. | | | | | |
| 5 Campgrounds | 35 | 0 | 0 | 0 | 0 |
| 70.Lake Mead N.R.A. | | | | | |
| Boulder Beach | 154 | 2.00 | 4.00 | 5.00 | 25 |
| Callville Bay | 80 | 2.00 | 4.00 | 5.00 | 25 |
| Cottonwood Cove | 149 | 2.00 | 4.00 | 5.00 | 25 |
| Echo Bay | 166 | 2.00 | 4.00 | 5.00 | 25 |
| Hemenway | 184 | 2.00 | 4.00 | 5.00 | 25 |
| Katherine | 173 | 2.00 | 4.00 | 5.00 | 25 |
| Las Vegas Wash | 89 | 2.00 | 4.00 | 5.00 | 25 |
| Overton Landing | 40 | 0 | 0 | 0 | 0 |
| Temple Bar | 153 | 2.00 | 4.00 | 5.00 | 25 |
| 71.Lake Meredith N.R.A. | | | | | |
| 6 Campgrounds | 134 | 0 | 0 | 0 | 0 |
| 72.Lassen Volcanic N.P. | | | | | |
| Butte Lake | 98 | 2.00 | 4.00 | 5.00 | 25 |
| Crags | 45 | 1.00 | 2.00 | 3.00 | 50 |
| Juniper Lake | 18 | 0 | 0 | 0 | 0 |
| Lost Creek | 9 | 1.00 | 2.00 | 3.00 | 50 |
| Manzanita Lake | 179 | 2.00 | 4.00 | 5.00 | 25 |
| Southwest | 21 | 1.00 | 2.00 | 3.00 | 50 |
| Summit Lake | | | | | |
| North | 46 | 2.00 | 4.00 | 5.00 | 25 |
| South | 48 | 1.00 | 3.00 | 3.00 | 0 |
| Warner Valley | 15 | 1.00 | 2.00 | 3.00 | 50 |
| Group | | 5.00 | 8.00 | 10.00 | 25 |
| 73.Lava Beds N.M. | | | | | |
| Indian Well | 45 | 3.00 | 5.00 | 5.00 | 0 |

| | | | FEE | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 74.Mammoth Cave N.P. | | | | | |
| Headquarters | 111 | 3.00 | 5.00 | 5.00 | 0 |
| Houchin's Ferry | 12 | 0 | 0 | 0 | 0 |
| Onyx Meadows-Group | 1 | 0 | 0 | 0 | 0 |
| 75.Mesa Verde N.P. | | | | | |
| Morfield Canyon | 494 | 2.00 | 4.00 | 5.00 | 25 |
| Group | | .50 | .50 | 1.00 | 100 |
| 76.Mount Rainier N.P. | | | | | |
| Cougar Rock | 200 | 3.00 | 5.00 | 5.00 | 0 |
| Ipsut Creek | 32 | 1.00 | 3.00 | 4.00 | 33 |
| Longmire | 110 | 3.00 | 5.00 | 5.00 | 0 |
| Ohanapecosh | 232 | 3.00 | 5.00 | 5.00 | 0 |
| Sunshine Point | 20 | 1.00 | 3.00 | 4.00 | 33 |
| White River | 117 | 3.00 | 5.00 | 5.00 | 0 |
| River Front Spaces | | | 5.00 | 6.00 | 20 |
| 77.Natchez Trace Parkway | | | | | |
| 3 Campgrounds | 72 | 0 | 0 | 0 | 0 |
| 78.Natural Bridges N.M. | | | | | |
| Natural Bridges | 13 | 0 | 0 | 0 | 0 |
| 79.Navajo N.M. | | | | | |
| Tonalea | 30 | 0 | 0 | 0 | 0 |
| 80.North Cascades N.P. | | | | | |
| 7 Campgrounds | 18 | 0 | 0 | 0 | 0 |
| 81.Olympic N.P. | | | | | |
| Altaire | 29 | 3.00 | 5.00 | 5.00 | 0 |
| Elwha | 41 | 3.00 | 5.00 | 5.00 | 0 |
| Fairholm | 87 | 3.00 | 5.00 | 5.00 | 0 |
| Heart O'The Hills | 105 | 3.00 | 5.00 | 5.00 | 0 |
| Hoh | 95 | 3.00 | 5.00 | 5.00 | 0 |
| Kalaloch | 179 | 3.00 | 5.00 | 5.00 | 0 |
| Mora | 91 | 3.00 | 5.00 | 5.00 | 0 |
| Soleduck | 84 | 3.00 | 5.00 | 5.00 | 0 |
| Staircase | 63 | 3.00 | 5.00 | 5.00 | 0 |
| 8 Campgrounds | 220 | 0 | 0 | 0 | 0 |

|  |  |  | FEE |  |  |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 82.Organ Pipe Cactus N.M |  |  |  |  |  |
| Headquarters | 208 | 2.00 | 4.00 | 5.00 | 25 |
| Group |  | .50 | 1.00 | 1.00 | 0 |
|  |  | 5.00 | 5.00 | 10.00 | 0 |
| 83.Ozark N.S.R. |  |  |  |  |  |
| Akers | 81 | 3.00 | 4.00 | 5.00 | 25 |
| Alley Spring | 220 | 3.00 | 4.00 | 5.00 | 25 |
| Big Spring | 205 | 3.00 | 4.00 | 5.00 | 25 |
| Owls Bend | 26 | 3.00 | 4.00 | 5.00 | 25 |
| Round Spring | 60 | 3.00 | 4.00 | 5.00 | 25 |
| Group |  | .50 | .75 | 1.00 | 33 |
| Pulltite | 55 | 3.00 | 4.00 | 5.00 | 25 |
|  |  |  | 11.00 | 11.00 | 0 |
| 5 Campgrounds | 93 | 0 | 0 | 0 | 0 |
| 84.Padre Island N.S. |  |  |  |  |  |
| Malaquite Beach | 102 | 2.00 | 4.00 | 4.00 | 0 |
| 85.Pictured Rocks N.L. |  |  |  |  |  |
| 3 Campgounds | 39 | 0 | 0 | 0 | 0 |
| 86.Pinnacles N.M. |  |  |  |  |  |
| Chaparral | 25 | 2.00 | 4.00 | 5.00 | 25 |
| 87.Point Reyes N.S. |  |  |  |  |  |
| 4 Campgrounds | 42 | 0 | 0 | 0 | 0 |
| 88.Prince William Forest Park |  |  |  |  |  |
| Oak Ridge | 120 | 2.00 | 4.00 | 4.00 | 0 |
| Turkey Run Ridge | 12 |  | 3.00 | 5.00 | 66 |
| Cabin Camp |  |  |  |  |  |
| 50-100 persons |  |  | 50.00 | 65.00 | 30 |
| Over 100 |  |  | 75.00 | 85.00 | 13 |
| 89.Rocky Mountain N.P. |  |  |  |  |  |
| Aspenglen | 75 | 4.00 | 6.00 | 6.00 | 0 |
| Glacier Basin | 243 | 4.00 | 6.00 | 6.00 | 0 |
| Longs Peak | 30 | 4.00 | 6.00 | 6.00 | 0 |
| Moraine Park | 260 | 4.00 | 6.00 | 6.00 | 0 |
| Timber Creek | 100 | 4.00 | 6.00 | 6.00 | 0 |
| Trail Camps | 261 | 0 | 0 | 0 | 0 |
| Group |  | 5.00 | 1.00 | 1.00 | 0 |
|  |  |  | 10.00 | 10.00 | 0 |

| | | | FEE | | |
|---|---|---|---|---|---|
| PARK AND CAMPGROUNDS | SITES | 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
| 90.Ross Lake N.R.A. | | | | | |
| Colonial Creek | 164 | 3.00 | 5.00 | 5.00 | 0 |
| Goodell Creek | 28 | 1.00 | 3.00 | 3.00 | 0 |
| 18 Campgrounds | | 0 | 0 | 0 | 0 |
| New Halem Creek | | 0 | 5.00 | 5.00 | 0 |
| 91.St. Croix N.S.R. | | | | | |
| 2 Campgrounds | 23 | 0 | 0 | 0 | 0 |
| 92.Sequoia N.P. | | | | | |
| Group | 0 | .25 | .50 | 1.00 | 100 |
| Atwell Mill | 23 | 0 | 0 | 0 | 0 |
| Buckeye Flat | 29 | 2.00 | 4.00 | 5.00 | 25 |
| Cold Springs | 29 | 0 | 0 | 0 | 0 |
| Dorst | 238 | 2.00 | 4.00 | 5.00 | 25 |
| Lodgepole | 261 | 2.00 | 4.00 | 5.00 | 25 |
| Potwisha | 44 | 2.00 | 4.00 | 5.00 | 25 |
| South Fork | 12 | 0 | 0 | 0 | 0 |
| 93.Shenandoah N.P. | | | | | |
| Matthews Arm | 186 | 3.00 | 5.00 | 6.00 | 20 |
| Big Meadows | 253 | 3.00 | 5.00 | 6.00 | 20 |
| Lewis Mountain | 32 | 3.00 | 5.00 | 6.00 | 20 |
| Loft Mountain | 231 | 3.00 | 5.00 | 6.00 | 20 |
| Dundo Youth Group | 7 | 5.00 | 10.00 | 10.00 | 0 |
| 94.Sleeping Bear Dunes N L. | | | | | |
| D.H. Day | 100 | 2.00 | 4.00 | 6.00 | 50 |
| Platte River | 150 | 2.00 | 4.00 | 6.00 | 50 |
| South Manitou Is. | 80 | 0 | 0 | 0 | 0 |
| Group | | | .50 | 1.00 | 100 |
| 95.Sunset Crater N.M. | | | | | |
| Bonito-U.S.F.S. | 44 | 3.00 | 4.00 | 4.00 | 0 |
| 96.Theodore Roosevelt N.P. | | | | | |
| Cottonwood | 108 | 2.00 | 4.00 | 4.00 | 0 |
| Halliday Wells | 5 | 0 | 0 | 0 | 0 |
| Squaw Creek | 50 | 2.00 | 4.00 | 4.00 | 0 |
| Group | | .25 | 1.00 | 1.00 | 0 |
| 97.Virgin Island N.P. | | | | | |
| Cinnamon Bay | 92 | 0 | 0 | 0 | 0 |
| 98.Voyageurs N.P. | | | | | |
| 3 Campgrounds | 110 | 0 | 0 | 0 | 0 |

| PARK AND CAMPGROUNDS | SITES | FEE 1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
|---|---|---|---|---|---|
| 99.Whiskeytown N.R.A. | | | | | |
| Brandy Creek | 37 | 0 | 0 | 0 | 0 |
| Dry Creek Group | 1 | 0 | 0 | 0 | 0 |
| Oak Bottom | 155 | 3.00 | 5.00 | 5.00 | 0 |
| Group | | | | 30-50 | |
| 100.Wind Cave N.P. | | | | | |
| Elk Mountain N.P. | 100 | 4.00 | 6.00 | 6.00 | 0 |
| Group | | | 1.00 | 1.00 | 0 |
| | | | 10.00 | 10.00 | 0 |
| 101.Yellowstone N.P. | | | | | |
| Bridge Bay | 438 | 4.00 | 6.00 | 6.00 | 0 |
| Canyon | 280 | 4.00 | 6.00 | 6.00 | 0 |
| Fishing Bridge | 308 | 4.00 | 6.00 | 6.00 | 0 |
| Grant Village | 433 | 4.00 | 6.00 | 6.00 | 0 |
| Indian Creek | 78 | 3.00 | 5.00 | 5.00 | 0 |
| Lewis Lake | 100 | 3.00 | 5.00 | 5.00 | 0 |
| Madison | 292 | 4.00 | 6.00 | 6.00 | 0 |
| Mammoth | 87 | 4.00 | 6.00 | 6.00 | 0 |
| Norris | 116 | 4.00 | 6.00 | 6.00 | 0 |
| Pebble Creek | 36 | 3.00 | 5.00 | 5.00 | 0 |
| Slough Creek | 30 | 3.00 | 5.00 | 5.00 | 0 |
| Tower Fall | 37 | 3.00 | 5.00 | 5.00 | 0 |
| Group | | .50 | 1.00 | 1.00 | 0 |
| | | 5.00 | 10.00 | 10.00 | 0 |
| 102.Yosemite N.P. | | | | | |
| Valley: | | | | | |
| Sunnyside | 38 | 2.00 | 5.00 | 6.00 | 20 |
| Lower River | 99 | 4.00 | 6.00 | 7.00 | 17 |
| Youth Group | 14 | 6.00 | 6.00 | 7.00 | 17 |
| Upper Pines | 226 | 4.00 | 6.00 | 7.00 | 17 |
| North Pines | 84 | 4.00 | 6.00 | 7.00 | 17 |
| Lower Pines | 165 | 4.00 | 6.00 | 7.00 | 17 |
| Upper River | 110 | 4.00 | 6.00 | 7.00 | 17 |
| Muir Tree | 25 | 0 | 0 | 0 | 0 |
| Bridalveil Creek | 110 | 3.00 | 5.00 | 6.00 | 20 |
| Crane Flat | 165 | 3.00 | 5.00 | 6.00 | 20 |
| Hodgdon Meadow | 110 | 3.00 | 5.00 | 6.00 | 20 |
| Porcupine Flat | 75 | 1.00 | 2.00 | 3.00 | 50 |
| Smoky Jack | 50 | 1.00 | 2.00 | 3.00 | 50 |
| Tamarack Flat | 80 | 1.00 | 2.00 | 3.00 | 50 |
| Tenaya Lake | 50 | 3.00 | 5.00 | 6.00 | 20 |
| Tuolumne Meadows | 371 | 2.00 | 4.00 | 5.00 | 25 |
| Wawona | 99 | 3.00 | 5.00 | 6.00 | 20 |
| White Wolf | 86 | 3.00 | 5.00 | 6.00 | 20 |
| Yosemite Creek | 100 | 1.00 | 2.00 | 3.00 | 50 |
| Group | | | 1.00 | 2.00 | 100 |
| | | | 6.00 | 30.00 | |

| PARK AND CAMPGROUNDS | SITES | FEE<br>1980 1981 | 1982 | 1983 | 1983 PERCENT INCREASE |
|---|---|---|---|---|---|
| 103.Zion N.P. | | | | | |
| Lava Point | 4 | 0 | 0 | 0 | 0 |
| South | 144 | 2.00 | 4.00 | 4.00 | 0 |
| Watchman | 229 | 2.00 | 4.00 | 4.00 | 0 |
| Group | | .50 | .50 | .50 | 0 |
| | | 5.00 | 5.00 | 5.00 | 0 |
| 103 438 TOTALS: | 28,562 | | | | |

FEES - OTHER

| PARK AND CAMPGROUNDS | FEE<br>1980 1981 | 1982 | 1983 | PERCENT INCREASE |
|---|---|---|---|---|
| 1.Assateague Island N.S. | | | | |
| ORV | 0 | 15.00 | 15.00 | 0 |
| 2.Carlsbad Caverns | | | | |
| New Cave Tour | 0 | 2.00 | 2.00 | 0 |
| 3.Cumberland Is. N.S. | | | | |
| Ferry | 2.00a | 3.00a | 3.00a | 0 |
| | 1.00c | 1.00c | 1.00a | 0 |
| 4.Death Valley N.M. | | | | |
| Scotty's Castle | 1.00a | 4.00 | 4.00 | 0 |
| | .50c | 2.00 | 2.00 | 0 |
| 5.Gateway N.R.A. | | | | |
| Bathhouse | .25 | .50 | .50 | 0 |
| 6.Gettysburg N.M.P | | | | |
| Cyclorama | 0 | .50 | 1.00 | 100 |
| 7.Indiana Dunes N.L. | | | | |
| Specialized Site | 1.00 | 2.00 | 2.00 | 0 |
| 8.Jewel Cave N.M. | | | | |
| Scenic 1/2 mile | 1.00a | 2.00 | 3.00 | 50 |
| | .50c | 1.00 | 1.00 | 0 |
| Historic 1/2 mile | 1.00a | 2.00 | 3.00 | 50 |
| | .50c | 1.00 | 1.00 | 0 |
| Spelunking | 2.00 | 4.00 | 4.00 | 0 |
| 9.Lehman Caves N.M. | | | | |
| Tour (Adult) | .50 | 1.00 | 2.00 | 100 |
| (Child) | | .50 | 1.00 | 100 |

## FEES - OTHER

| | | FEE | | 1983 |
|---|---|---|---|---|
| PARK AND CAMPGROUNDS | 1980 1981 | 1982 | 1983 | PERCENT INCREASE |
| 10.Lincoln Home | | | | |
| Parking | .50<br>1.00 | 1.00 | 1.00 | 0 |
| 11.Mammoth Cave N.P. | | | | |
| Tours | | | | |
| Frozen Niagara | 1.50 | 3.00 | 3.00 | 0 |
| Historic | 1.50 | 3.00 | 3.00 | 0 |
| Half-Day | 2.50 | 5.00 | 5.00 | 0 |
| Handicapped | 1.00 | 2.00 | 2.00 | 0 |
| Lantern | 2.00 | 4.00 | 4.00 | 0 |
| Wild Cave | 3.50 | 5.00 | 5.00 | 0 |
| Great Onyx | 1.50 | 3.00 | 3.00 | 0 |
| Echo River | 2.00 | 4.00 | 4.00 | 0 |
| 12.Perry's Victory N.M. | | | | |
| Elevator | .25 | .50 | .50 | 0 |
| 13.Sequoia N.P. | | | | |
| Crystal Cave | .50 | 1.00 | 1.00 | 0 |
| 14.Statue of Liberty N.M. | | | | |
| Elevator | .10 | .25 | .25 | 0 |
| 15.Timpanogos Cave N.M. | | | | |
| Tour | .50 | 1.00 | 1.00 | 0 |
| 16.Wind Cave N.P. | | | | |
| Cave Tours | | | | |
| Reg | 1.00a | 2.00a | 3.00a | 50 |
| | .50c | 1.00c | 1.00c | 0 |
| Long and History | 1.50a | 3.00a | 4.00a | 33 |
| | .75c | 1.00c | 1.00 | 0 |
| Spelunking | 2.00 | 4.00 | 4.00 | 0 |

15 TOTALS

## 1983 NATIONAL PARK SERVICE RECREATION FEES

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle | per person |
| 1. Acadia N.P. | | | None | None |
| Blackwoods | 325 | 6.00 | | |
| Seawall | 218 | 6.00 | | |
| (Seawall-walkin) | | 3.00 | | |
| adv. camping res. | | 1.00 | | |
| 2. Adams N.H.S. | | | None | .50 |
| 3. Andrew Johnson N.H.S. | | | None | .50 |
| 4. Appomattox Court House N.H.P. | | | 1.00 | .50 |
| 5. Arches N.P. | | | 1.50 | .50 |
| Devils Garden | 53 | 4.00 | | |
| Group Camping | | 1.00<br>10.00(minimum) | | |
| 6. Assateague Island N.S. | | | None | None |
| North Beach | 86 | 5.00 | | |
| North Beach Group | 5 | 6.00 | | |
| Bayside | 40 | 5.00 | | |
| ORV Permits | | 15.00 | | |
| 7. Aztec Ruins N.M. | | | 1.00 | .50 |
| 8. Badlands N.M. | | | 1.00 | .50 |
| Cedar Pass | 136 | 6.00<br>1.00 | | |
| Group Camping | | 10.00 | | |
| 9. Bandelier N.M. | | | 1.00 | .50 |
| Juniper | 93 | 5.00 | | |
| Ponderosa-group | 4 | .50<br>5.00 | | |
| 10.Big Bend N.P. | | | None | None |
| Chisos Mtn. Basin | 58 | 4.00 | | |
| Rio Grande Village | 99 | 4.00 | | |
| Castolon-S.E. Group | | 1.00<br>5.00 | | |
| Cottonwood | 34 | 2.00 | | |
| 11.Bighorn Canyon N.R. | | | None | None |
| Horseshoe Bend | 125 | 3.00 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle | per person |
| 12.Black Canyon of the Gunnison N.M. | | | 1.00 | .50 |
| South Rim | 102 | 3.00 | | |
| 13.Blue Ridge Parkway | | | None | None |
| Crabtree Meadows | 93 | 6.00 | | |
| Doughton Park | 136 | 6.00 | | |
| Linville Falls | 75 | 6.00 | | |
| Otter Creek | 67 | 6.00 | | |
| Peaks of Otter | 148 | 6.00 | | |
| Mt. Pisgah | 140 | 6.00 | | |
| Julian Price | 197 | 6.00 | | |
| Roanoke Mt. | 105 | 6.00 | | |
| Rocky Know | 109 | 6.00 | | |
| 14.Bryce Canyon N.P. | | | 2.00 | .50 |
| North | 111 | 5.00 | | |
| Sunset | 115 | 5.00 | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 15.Buffalo N.R. | | | | |
| Buffalo Point | 118 | 3.50 | None | None |
| | | 5.50(elect.) | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 16.Canyonlands N.P. | | | None | None |
| Squaw Flat | 36 | 4.00 | | |
| Willow Flat | 12 | 0 | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 17.Cape Code N.S. | | | 2.00 | .50 |
| ORV Permits | | 25.00 | | |
| 18.Cape Hatteras N.S. | | | None | None |
| *Cape Point | 202 | 6.00 | | |
| *Frisco | 136 | 6.00 | | |
| Ocracoke | 135 | 6.00 | | |
| *Oregon Inlet | 120 | 6.00 | | |
| Salvo | 142 | 6.00 | | |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle | per person |
|---|---|---|---|---|
| 19.Capitol Reef N.P. | | | None | None |
| Capitol Reef | 53 | 4.00 | | |
| Cedar Mesa | 5 | | | |
| Group | | 1.00<br>10.00 | | |
| 20.Capulin Mountain N.M. | | | 1.00 | .50 |
| 21.Carlsbad Caverns N.P. | | | 3.00 | 1.00 |
| New Cave Tours | | 2.00 | | |
| 22.Casa Grande Ruins N.M. | | | 1.00 | .50 |
| 23.Castillo De San Marcos N.M. | | | None | .50 |
| 24.Catoctin Mountain Park | | | None | None |
| Owens Creek | 51 | 4.00 | | |
| 25.Cedar Breaks N.M. | | | None | None |
| Point Supreme | 30 | 3.00 | | |
| 26.Chickamauga-Chattanooga N.M.P. | | | None | .50 |
| 27.Chickasaw N.R.A. | | | None | None |
| Buckhorn | 177 | 5.00 | | |
| Cold Springs | 63 | 5.00 | | |
| Guy Sandy | 40 | 5.00 | | |
| The Point | 52 | 5.00 | | |
| Rock Creek | 106 | 5.00 | | |
| Central (Group) | | 1.00<br>10.00 | | |
| 28.Chiricahua N.M. | | | 1.00 | .50 |
| Bonita Canyon | 30 | 4.00 | | |
| 29.Colonial N.H.P. | | | 3.00 | 1.00 |
| 30.Colorado N.M. | | | 1.00 | .50 |
| Saddle Horn | 81 | 5.00 | | |
| 31.Coulee Dam N.R.A. | | | None | None |
| Evans | 34 | 5.00 | | |
| Fort Spokane | 67 | 5.00 | | |
| Kettle Falls | 89 | 5.00 | | |
| Porcupine Bay | 31 | 5.00 | | |
| Spring Canyon | 87 | 5.00 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle/ | per person |
|---|---|---|---|---|
| 32.Crater Lake N.P. | | | 2.00 | .50 |
| Lost Creek | 12 | | | |
| Mazama | 200 | 5.50 | | |
| 33.Craters of the Moon N.M. | | | 1.00 | .50 |
| Lava Flow | 51 | 5.00 | | |
| 34.Cumberland Gap N.H.P. | | | None | None |
| Chadwell Gap | 4 | 4.00 | | |
| Gibson Gap | 3 | 4.00 | | |
| Martin's Fork | 6 | 4.00 | | |
| Wilderness Road | 160 | 4.00 | | |
| Group | | .50 | | |
| 35.Cumberland Island N.S. | | | None | None |
| Ferry | | 3.00 | | |
| 36.Curecanti N.R.A. | | | None | None |
| Camarron | 22 | 5.00 | | |
| Elk Creek | 184 | 5.00 | | |
| Lake Fork | 92 | 5.00 | | |
| Stevens Creek | 54 | 4.00 | | |
| Red Creek | 4 | 4.00 | | |
| Dry Gulch | 5 | 4.00 | | |
| East Portal | 15 | 4.00 | | |
| East Elk Creek(Group) | 14 | .50 | | |
| 37.Death Valley N.M. | | | None | None |
| Emigrant | 10 | | | |
| Furnace Creek | 200 | 4.00 | | |
| Mahogany Flat | 10 | 0 | | |
| Mesquite Springs | 64 | 4.00 | | |
| Stove Pipe Wells | 200 | 4.00 | | |
| Sunset | 1000 | 4.00 | | |
| Texas Springs | 100 | 4.00 | | |
| Thorndike | 8 | 0 | | |
| Wildrose | 38 | 0 | | |
| Group | | 1.00 | | |
| Scotts Castle Tours | | 4.00 (Adult)<br>2.00 (Child) | | |
| 38.Denali N.P. | | | None | None |
| Igloo | 7 | | | |
| Morino | 10 | | | |
| Riley Creek | 102 | 6.00 | | |
| Santuary | 7 | 0 | | |
| Savage | 24 | 6.00 | | |
| Teklanika | 50 | 6.00 | | |
| Wonder Lake | 20 | 6.00 | | |
| Group | | 6.00 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle | per person |
|---|---|---|---|---|
| 39.Devils Postpile N.M. | | | | |
| Devils Postpile | 23 | 5.00 | Listed under Sequoia | |
| 40.Devils Tower N.M. | | | 1.00 | .50 |
| Belle Fourche River | 51 | 6.00 | | |
| Group | | 1.00<br>6.00 | | |
| 41.Dinosaur N.M. | | | None | None |
| Green River | 99 | 4.00 | | |
| Split Mountain | 35 | 4.00 | | |
| 42.Edison N.H.S. | | | None | 1.00 |
| 43.El Morro N.M. | | | 1.00 | .50 |
| 44.Everglades N.P. | | | 2.00 | .50 |
| Flamingo | 237 | 5.00<br>4.00 | | |
| Long Pine | 107 | 5.00 | | |
| 45.Fort Davis N.H.S. | | | 1.00 | .50 |
| 46.Fort Pulaski N.M. | | | 1.00 | .50 |
| 47.Gateway N.R.A. | | | None | None |
| Bath house | | .50 | | |
| 48.Gettysburg N.M.P. | | | | |
| Cyclorama | | 1.00 | | |
| 49.Glacier N.P. | | | 2.00 | .50 |
| Apgar | 196 | 6.00 | | |
| Avalanche | 87 | 6.00 | | |
| Bowman Lake | 48 | 4.00 | | |
| Cut Bank | 19 | 4.00 | | |
| Fish Creek | 180 | 6.00 | | |
| Kintla Lake | 19 | 4.00 | | |
| Logging Creek | 8 | 4.00 | | |
| Many Glacier | 117 | 6.00 | | |
| Rising Sun | 82 | 6.00 | | |
| River | 7 | 4.00 | | |
| Sprague Creek | 25 | 6.00 | | |
| St. Mary Lake | 156 | 6.00 | | |
| Two Medicine | 99 | 6.00 | | |
| Group | | .50 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle/ | per person |
|---|---|---|---|---|
| 50.Glen Canyon N.R.A. | | | None | None |
| Bullfrog | 86 | 5.00 | | |
| Halls Crossing | 65 | 0 | | |
| Lees Ferry | 56 | 5.00 | | |
| Wahweap | 178 | 5.00 | | |
| Group | | 1.00<br>10.00 | | |
| 51.Grand Canyon N.P. | | | 3.00 | .50 |
| North Rim | 82 | 6.00 | | |
| Desert View | 50 | 5.00 | | |
| *Mather | | 6.00 | | |
| Hike-In | 155 | | | |
| Group | | 2.00 | | |
| 52.Grand Teton N.P. | | | 2.00 | .50 |
| Group | | 1.00 | | |
| Colter | 350 | 7.00 | | |
| Gros Ventre | 360 | 7.00 | | |
| Jenny Lake | 49 | 7.00 | | |
| Lizard Creek | 60 | 7.00 | | |
| Signal Mountain | 86 | 7.00 | | |
| 53.Great Sand Dunes N.M. | | | 1.00 | .50 |
| Dunes | 20 | 0 | | |
| Pinyon Flat | 88 | 5.00 | | |
| Group | | .50<br>10.00 | | |
| 54.Great Smoky Mts. N.P. | | | None | None |
| Abrams | 16 | 0 | | |
| Balsams | 46 | 6.00 | | |
| Big Creek | 9 | 0 | | |
| *Cades Cove | 161 | 6.00 | | |
| Cataloochee | 27 | 0 | | |
| Cosby | 175 | 6.00 | | |
| Deep Creek | 119 | 6.00 | | |
| *Elkmont | 220 | 6.00 | | |
| Look Rock | 92 | 6.00 | | |
| *Smokemont | 150 | 6.00 | | |
| Trail Shelters | 14 | 0 | | |
| Misc. Camps | 95 | 0 | | |
| Group | | 1.00<br>12.00 | | |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle/per person | |
|---|---|---|---|---|
| 55.Greenbelt Park | | | None | None |
| Greenbelt Park | 174 | 4.50 | | |
| 56.Gulf Islands N.S. | | | 1.00 | .50 |
| Fort Pickens | 165 | 8.00 | | |
| Davis Bayou<br>(plus $2 for electric) | 51 | 8.00 | | |
| Group | | 1.00 | | |
| 57.Haleakala N.P. | | | None | None |
| Cabin rental | 25 | 4.00 (Adult)<br>2.00 (Child) | | |
| 58.Home of F.D. Roosevelt N.H.S. | | | None | 1.50 |
| 59.Hot Springs N.P. | | | None | None |
| Gulpha Gorge | 47 | 5.00 | | |
| *Hovenweep | 10 | 2.00 | | |
| 60.Indiana Dunes N.L. | | | | |
| Parking | | 2.00 | | |
| 61.Jewel Cave N.M. | | | | |
| Scenic Tour 1/2 mile | | 3.00 (Adult) | None | None |
| Historic Tour 1/2 mile | | 1.00 (Child) | | |
| Spelunking | | 4.00 (Adult) | | |
| 62.John D. Rockfeller Jr. Memorial Parkway | | | None | None |
| Snake River | 24 | 7.00 | Under Grand Teton | |
| Group | | .50 | | |
| 63.John F. Kennedy N.H.S. | | | None | .50 |
| 64.John Muir N.H.S. | | | None | .50 |
| 65.Joshua Tree N.M. | | | None | None |
| Black Rock Canyon | 100 | 5.00 | | |
| Cottonwood Spring | 62 | 5.00 | | |
| 66.Kings Canyon N.P. | | | 2.00 | .50 |
| Azalea | 108 | 5.00 | Listed under Sequoia | |
| Crystal Springs | 57 | 5.00 | | |
| Sunset | 213 | 5.00 | | |
| Canyon View | 67 | 5.00 | | |
| Moraine | 124 | 5.00 | | |
| Sentinel | 86 | 5.00 | | |
| Sheep Creek | 113 | 5.00 | | |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle | per person |
| 67. Lake Mead N.R.A. | | | None | None |
| Boulder Beach | 154 | 5.00 | | |
| Caliville Bay | 80 | 5.00 | | |
| Cottonwood Cove | 149 | 5.00 | | |
| Echo Bay | 166 | 5.00 | | |
| Hemenway | 184 | 5.00 | | |
| Katherine | 173 | 5.00 | | |
| Las Vegas Wash | 89 | 5.00 | | |
| Overton Landing | 40 | 0 | | |
| Temple Bar | 153 | 5.00 | | |
| 68. Lassen Volcanic N.P. | | | 1.00 | .50 |
| Butte Lake | 98 | 5.00 | | |
| Crags | 45 | 3.00 | | |
| Juniper Lake | 18 | 0 | | |
| Lost Creek | 9 | 3.00 | | |
| Manzanita Lake | 179 | 5.00 | | |
| Southwest | 21 | 3.00 | | |
| Summit Lake | | | | |
| North | 46 | 5.00 | | |
| South | 48 | 3.00 | | |
| Warner Valley | 15 | 3.00 | | |
| Group | | 10.00 | | |
| 69. Lava Beds N.M. | | | None | None |
| Indian Well | 45 | 5.00 | | |
| 70. Lehman Caves N.M. | | | | |
| Cave Tours | | | | |
| | | 2.00 (Adult) | | |
| | | 1.00 (Child) | | |
| 71. Lincoln Home | | | | |
| Parking | | 1.00 | None | .50 |
| 72. Longfellow N.H.S. | | | None | .50 |
| 73. Mammoth Cave N.P. | | | None | None |
| Headquarters | 111 | 5.00 | Listed under cave tours | |
| Houchin's Ferry | 12 | | | |
| Onyx Meadows-Group | 1 | | | |
| Cave Tours | | | | |
| Frozen Niagara | | 3.00 | | |
| Historic | | 3.00 | | |
| Half-Day | | 5.00 | | |
| Handicapped | | 2.00 | | |
| Lantern | | 4.00 | | |
| Wild Cave | | 5.00 | | |
| Great Onyx | | 3.00 | | |
| Echo River | | 4.00 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle/ | per person |
| 74.Mesa Verde N.P. | | | None | None |
| Morefield Canyon | 494 | 5.00 | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 75.Minute Man N.H.P. | | | None | .75 |
| 76.Morrisrown N.H.P. | | | | |
| 77.Mount Rainier N.P. | | | 2.00 | .50 |
| Cougar Rock | 200 | 5.00 | | |
| Ipsut Creek | 32 | 4.00 | | |
| Longmire (Overflow area) | 110 | 5.00 | | |
| Ohanapecosh | 232 | 5.00 | | |
| Sunshine Point | 20 | 4.00 | | |
| White River | 117 | 5.00 | | |
| River Front | | 6.00 | | |
| 78.Montezuma Castle N.M. | | | 1.00 | .50 |
| 79.Natural Bridges N.M. | 13 | 0 | 1.00 | .50 |
| 80.North Cascades N.P. | 18 | | None | None |
| Shuttle Bus | | 1.00 | | |
| 81.Olympic N.P. | | | None | None |
| Altaire | 29 | 5.00 | | |
| Elwha | 41 | 5.00 | | |
| Fairholm | 87 | 5.00 | | |
| Heart O'The Hills | 105 | 5.00 | | |
| Hoh | 95 | 5.00 | | |
| Kalaloch | 179 | 5.00 | | |
| Mora | 91 | 5.00 | | |
| Soleduck | 84 | 5.00 | | |
| Staircase | 63 | 5.00 | | |
| 82.Organ Pipe Cactus N.M | | | None | None |
| Headquarters | 208 | 5.00 | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 83.Ozark N.S.R. | | | None | None |
| Akers | 81 | 5.00 | | |
| Alley Spring | 220 | 5.00 | | |
| Big Spring | 205 | 5.00 | | |
| Owls Bend | 26 | 5.00 | | |
| Round Spring | 60 | 5.00 | | |
| Pulltite | 55 | 5.00 | | |
| Group | | 1.00 | | |
| | | 11.00 | | |

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEES | SINGLE-VISIT ENTRANCE FEE per vehicle/ | per person |
|---|---|---|---|---|
| 84.Padre Island N.S. | | | None | None |
| Malaquite Beach | 102 | 4.00 | | |
| 85.Perry's Victory & International Peace Mem. Elevator | | .50 | None | .50 |
| 86.Petrified Forest N.P. | | | 1.00 | .50 |
| 87.Pinnacles N.M. | | | 1.00 | .50 |
| Chaparral | 25 | 5.00 | | |
| 87.Pipe Spring N.M. | | | None | .50 |
| 88.Prince William Forest Park | | | None | None |
| Oak Ridge | 120 | 4.00 | | |
| 89.Turkey Run Ridge | 12 | 5.00 | | |
| Cabin Camp | | | | |
| 50-100 | | 65.00 | | |
| Over 100 | | 85.00 | | |
| 90.Rocky Mountain N.P. | | | 2.00 | .50 |
| Aspenglen | 75 | 6.00 | | |
| *Glacier Basin | 243 | 6.00 | | |
| Longs Peak | 30 | 6.00 | | |
| *Moraine Park | 260 | 6.00 | | |
| Timber Creek | 100 | 6.00 | | |
| Trail Camps | 261 | | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 91.Roosevelt-Vanderbuilt N.H.S | | | None | 2.00 |
| 92.Ross Lake N.R.A. | | | | |
| Colonial Creek | 164 | 5.00 | | |
| Goodell Creek | 28 | 3.00 | | |
| Newhalem Creek | | 5.00 | | |
| 93.Sagamore Hill N.H.S. | | | None | 2.00 |
| 94.Saguaro | | | 1.00 | .50 |
| 95.Saint-Gaudens N.M. | | | None | 1.00 |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle/ | per person |
| 96.Salem Maritime N.H.S. | | | None | .50 |
| 97.San Juan N.H.S. | | | None | .50 |
| 98.Scotts Bluff | | | 1.00 | .50 |
| 99.Sequoia N.P. | | | 2.00 | .50 |
| Group | | 1.00 | | |
| Atwell Mill | 23 | 0 | | |
| Buckeye Flat | 29 | 5.00 | | |
| Cold Springs | 29 | 0 | | |
| Dorst | 238 | 5.00 | | |
| *Lodgepole | 261 | 5.00 | | |
| Potwisha | 44 | 5.00 | | |
| South Fork | 12 | 5.00 | | |
| Crystal Cave Tour | | 1.00 | | |
| 100.Shenandoah N.P. | | | 2.00 | .50 |
| Mathews Arm | 186 | 6.00 | | |
| *Big Meadows | 253 | 6.00 | | |
| Lewis Mountain | 32 | 6.00 | | |
| Loft Mountain | 231 | 6.00 | | |
| Dunod Youth Group | 7 | 10.00 | | |
| 101.Sleeping Bear Dunes N L. | | | None | None |
| D.H. Day | 100 | 6.00 | | |
| Platte River | 150 | 6.00 | | |
| South Mountain Is. | 80 | 1.00 | | |
| Group | | | | |
| 102.Statue of Liberty N.M. | | | None | None |
| Elevator | | .25 | | |
| 103.Sunset Crater N.M. | | | None | None |
| Bonito-U.S.F.S. | 44 | 4.00 | | |
| 104.Theodore Roosevelt Birthplace N.H.S. | | | None | 1.00 |
| 105.Theodore Roosevelt N.P. | | | 1.00 | .50 |
| Cottonwood | 108 | 4.00 | | |
| Halliday Wells | 5 | 0 | | |
| Squaw Creek | 50 | 4.00 | | |
| Group | | 1.00 | | |
| 106.Timpanogos Cave N.M. | | | None | None |
| One-Hour Tour | | 1.00 | | |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE | |
|---|---|---|---|---|
| | | | per vehicle/ | per person |
| 107.Tonto N.M. | | | 1.00 | .50 |
| 108.Tumacacori N.M. | | | 1.00 | .50 |
| 109.Tuzigoot N.M. | | | 1.00 | .50 |
| 110.Vanderbuilt Mansion N.H.S. | | | None | 1.50 |
| 111.Whiskeytown N.R.A. | | | None | None |
| Brandy Creek | 37 | 0 | | |
| Dry Creek Group | 1 | 0 | | |
| Oak Bottom | 155 | 5.00 | | |
| Group | | 30.-50. | | |
| 112.White Sands N.M. | | | 1.00 | .50 |
| 113.Wind Cave N.P. | | | | |
| Elk Mountain N.P. | 100 | 6.00 | | |
| Cave Tours | | | | |
| Short Tour | | 4.00 (Adult) | | |
| Long Tour | | 1.00 (Child) | | |
| Historic Tour | | 4.00 (Adult) | | |
| | | 1.00 (Child) | | |
| Spelunking | | 4.00 (Adult) | | |
| 114.Yellowstone N.P. | | | 2.00 | .50 |
| Bridge Bay | 438 | 6.00 | | |
| Canyon | 280 | 6.00 | | |
| Fishing Bridge | 308 | 6.00 | | |
| Grant Village | 433 | 6.00 | | |
| Indian Creek | 78 | 5.00 | | |
| Lewis Lake | 100 | 5.00 | | |
| Madison | 292 | 6.00 | | |
| Mammoth | 87 | 6.00 | | |
| Norris | 116 | 6.00 | | |
| Pebble Creek | 36 | 5.00 | | |
| Slough Creek | 30 | 5.00 | | |
| Tower Fall | 37 | 5.00 | | |
| Group | | 1.00 | | |
| | | 10.00 | | |
| 115.Yosemite N.P. | | | 3.00 | .50 |
| Valley: | | | | |
| Sunnyside | 38 | 6.00 | | |
| *Lower River | 99 | 7.00 | | |
| Youth Group | 14 | 7.00 | | |
| *Upper Pines | 226 | 7.00 | | |
| *North Pines | 84 | 7.00 | | |
| *Lower Pines | 165 | 7.00 | | |
| *Upper River | 110 | 7.00 | | |
| Backbacker | 25 | 2.00 | | |

*Ticketron Reservation System/ Advanced Reservations Recommended

| PARK AND CAMPGROUNDS | SITES | RECREATION USE FEE | SINGLE-VISIT ENTRANCE FEE per vehicle/per person | |
|---|---|---|---|---|
| Bridalveil Creek | 110 | 6.00 | | |
| Crane Flat | 165 | 6.00 | | |
| Hodgdon Meadow | 110 | 6.00 | | |
| Porcupine Flat | 75 | 3.00 | | |
| Smoky Jack | 50 | 3.00 | | |
| Tamarack Flat | 80 | 3.00 | | |
| Tenaya Lake | 50 | 6.00 | | |
| Tuolumne Meadows | 371 | 5.00 | | |
| Wawona | 99 | 6.00 | | |
| White Wolf | 86 | 6.00 | | |
| Yosemite Creek | 100 | 3.00 | | |
| Group | | 2.00 | | |
| | | 30.00 | | |
| 116.Zion N.P. | | | 2.00 | .50 |
| Lava Point | 4 | | | |
| South | 144 | 4.00 | | |
| Watchman | 229 | 4.00 | | |
| Group | | .50 | | |
| | | 5.00 | | |

1982 reservations for camping at the following parks may be made by writing, Ticketron Reservation Office, P.O. Box 2715, San Francisco, California 94126, or thru one of their 600 plus walk-in outlets.

Cape Hatteras National Seashore

Grand Canyon National Park

Great Smoky Mountains National Park

Rocky Mountain National Park

Sequoia-Kings Canyon National Parks

Shenandoah National Park

Yosemite National Park

## Reductions In Seasonal Employment

Question: Provide a complete list and justification related to augmenting information programs for "reductions in seasonal employment due to unbudgeted increases in operating expenses" (page 34). Please spread FTE by PFT for the parks listed on pages 34 and 35. Also, spread FTE by PFT for parks listed on pages 35 and 36.

Answer: Inflationary increases in operating expenses affect every unit of the National Park System in varying decreases. When faced with a rate adjustment for utility services or higher contractual costs, park managers must redirect funds from other operating programs in the shortrun, then seek additional resources through the budget process in order to maintain program levels. The parks listed on page 34 are requesting increases to fill gaps in their interpretive programs created when program funds were used to cover other operating needs. For example:

Acadia National Park - Utility increases have directed funds away from visitor center operation.

Federal Hall National Memorial - A $59,000 shortfall in base funding for utilities has resulted in reduction in operating hours from 7 to 5 days per week.

Fort Smith National Historic Site - A 43 percent rate increase in utilities over the past several years has gradually eroded seasonal interpretive activities.

Timpanogos Cave National Monument - Unbudgeted increases in utility rates of 58 percent have resulted in reduced visitor center operations and deferred maintenance.

The parks requesting additional permanent full-time positions (PFT) for interpretation and visitor services are listed below:

| Park | PFT Positions |
|---|---|
| Carlsbad Caverns National Park | 4 |
| Whitman Mission National Historic Site | 1 |
| Saint Croix National Scenic Riverway | 1 |
| Cumberland Island National Seashore | 1 |
| Sunset Crater National Monument | 1 a/ |
| Canaveral National Seashore | 1 a/ |
| Hubbell Trading Post National Historic Site | 1 |

a/ Additional funds requested to convert a permanent part-time to a permanent full-time position.

## Performing Arts

Question: For all of the performing arts activities in the National Capitol area (listed on p. 32), provide a copy of the latest audit report. If there is no audit report, please explain why not. Also, provide a copy of the agreement with each entity and an overall funding summary for each, showing total funding and source of funding.

Answer: The information requested is as follows:

### Ford's Theatre Society

An audit by the Office of the Inspector General (OIG) of the 1979 grant to the Ford's Theatre Society for program support and for ushers was completed by the OIG number (E-G-DC-NPS-20-80) dated April 18, 1980. An audit was requested of the fiscal 1981 and 1982 grants but the OIG was not able to perform the audits because of staffing constraints.

### Wolf Trap Foundation

An audit of the grants for the program support for fiscal 1981 and 1982 was completed by OIG number (E-GR-VA-NPS-010-82) dated October 8, 1982. This audit concluded that the Foundation had sufficient costs to earn the 1981 and 1982 grants. For the Wolf Trap stagehands, no audit was performed. The Wolf Trap Foundation was reimbursed actual stagehand expenses up to a limit of $450,000. Stagehand expenses were set by collective bargaining agreement and confirmed by the Labor Department under their Service Contract Act wage determination. No overhead or profit was paid to the Foundation.

## Capital Hill Concerts

No audit was performed because this money is disbursed under Federal contract procedures rather than as a grant. The National Symphony Orchestra provided a copy of their financial statement to validate overhead and expense items. Congress limited concerts in prior years to four per year. A pure cost approach of pricing was used.

## Carter Barron

An audit has not been conducted for this activity since the Carter Barron Amphitheatre is operated by the National Park Service. The program funds are disbursed under Federal contract procedures.

## Funding Summary

Since fiscal 1980, the Congress has added funds to the National Park Service budget each year for direct financial assistance to the performing arts. In accordance with congressional appropriations, we provided the following assistance in fiscal 1983:

Funds Provided by National Park Service Through Grants:

| Entity | Fiscal 1983 NPS Funding | Purpose of Funding | Source of NPS Funding |
|---|---|---|---|
| Ford's Theatre | $200,000 | Program support | P.L. 97-394 |
| Ford's Theatre | 25,000 | Ushers | P.L. 97-394 |
| Wolf Trap | 175,000 | Program support | P.L. 97-394 |
| Total | 400,000 | | |

Funds Provided by National Park Service Through Contracts:

| Entity | Fiscal 1983 NPS Funding | Purpose of Funding | Source of NPS Funding |
|---|---|---|---|
| *Capitol Hill Concerts | $500,000 | 4 NSO concerts | P.L. 97-394 |
| Support of Capitol Hill concerts | 100,000 | Program support | P.L. 97-394 |
| Wolf Trap stagehands | 450,000 | Stagehand service | P.L. 97-394 |
| Carter Barron | 35,000 | Program | P.L. 97-394 |
| Total | 1,085,000 | | |

* Includes $250,000 to be matched by private funds for televising July 4 concert.

The National Park Service's fiscal 1984 budget request does not include any funds for direct financial assistance for the performing arts. We have no way of knowing what other funding is available to the Ford's Theatre Society, Wolf Trap Foundation and National Symphony Orchestra

The requested agreements and audit reports are as follows:

APR 18 1980

Memorandum:

To: Associate Regional Director, Administration
National Capital Region

From: Acting Chief, Washington Audit Operations

Subject: Audit of costs incurred by the Ford's Theatre Society under a grant from the National Park Service

In response to your request, we have audited the costs incurred by the Ford's Theatre Society (Society) under a grant awarded by the National Park Service (NPS) to support and stimulate innovative live theatre programming and to highlight a uniquely American musical art form. Our audit was completed in April 1980, and covered costs obligated and incurred from July 2, 1979, through September 30, 1979.

The purpose of our audit was to (1) determine the extent that grant costs incurred by the Society are eligible for Federal participation and (2) develop such other information as NPS may need to determine the amount of costs to be reimbursed.

Our examination was made in accordance with the standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States, as they apply to financial and compliance examinations and, accordingly, included such test of the accounting records and other data, and such other auditing procedures as we considered necessary in the circumstances. We also considered the applicable provisions of the Office of Management and Budget (OMB) Circular A-110.

Based on our audit, we determined that the Society incurred costs of $131,010 that are eligible for Federal reimbursement as summarized below:

| | | |
|---|---|---|
| Grant award | | $150,000 |
| Cost incurred | | 186,136 |
| Less: | | |
| Recommended adjustments | $54,734 | |
| Unsupported costs | 392 | 55,126 |
| Approved audited costs | | 131,010 |
| Federal share (100%) of approved audited costs | | 131,010 |

RECOMMENDED ADJUSTMENTS

Costs recommended for adjustment as a result on our audit are as follows:

| | |
|---|---|
| Costs incurred outside the grant period | $54,293 |
| Unallowable costs | 441 |
| | 54,734 |

Society officials generally agreed with our findings but will await NPS comments concerning their disposition.

Costs incurred outside the grant period - $54,293

We recommend a cost adjustment of $54,293 for costs incurred after the grant period.

The grant agreement specified that costs had to be obligated by September 30, 1979, and expended by November 30, 1979. Our review indicated that the Society's productions of "Shadow Box" and "A Celebration of Country" were not staged until October 1979, after the grant period had expired.

Because the Society's accounting system does not require the submission of approved purchase requisitions to obligate funds we were left with only the invoice date to use as the date the funds were obligated. Using the invoice date as the date of obligation we determined that $54,293 of costs were incurred outside the grant period.

The attached exhibit (Exhibit) summarizes the costs incurred outside the grant period. In lieu of a formalized document to obligate funds, the agreement or contract date may be used, at NPS discretion, as the obligation date.

Unallowable costs - $441

We recommend cost adjustments of $441 for advertising ($60) and insurance ($381) which were not applicable to the grant.

The Society claimed advertising costs of $60 which were applicable to the Society's production of "Christmas Carol". The production of Christmas Carol was not included in the scope of the grant.

The Society claimed, under the planning section of the grant, $508 of car insurance covering the period May 1, 1979, to April 30, 1980. The Society expenses prepaid insurance monthly, by including 1/12 of the insurance in the monthly general expenses. The general expenses are then allocated to the productions. Based on the Society's accounting system the grant should have been charged with $127 (3/12 times $508) of insurance expense instead of $508, resulting in an unallowable cost of $381.

## UNSUPPORTED COSTS

The $392 of unsupported costs represent cab fare payments to performers. Because no bills or invoices were found in the files, we classified the $392 as unsupported costs.

OMB Circular No. A-110, Attachment F on Standards for Financial Management Systems Section 2.g states that recipient's systems shall provide for accounting records that are supported by source documentation.

## ACCOUNTING FOR GRANT FUNDS

Grant funds are accounted for in the following records:

1. General ledger.
2. Subsidiary ledger (Pre- and direct production costs for each show).
3. Cash disbursements journal and accounts payable register.
4. Payroll register.
5. Check register.
6. Vendor files.

As charges are incurred they are either paid immediately and recorded in the cash disbursements journal or recorded in the accounts payable register for later payment. These charges are traceable to the vendor invoice files. Cancelled checks are filed by month in sequence.

The Society's accounting system for grant funds was deficient because:

1. Grant funds are not identified in the Society's accounting records.
2. Vendor invoices are not coded to indicate if grant related.
3. Purchase orders or requisitions are not used.

OMB Circular No. A-110, Attachment F on Standards for Financial Management Systems Section 2.b states that recipient's systems shall provide for records that identify adequately the source and application of funds for federally sponsored activities.

In our opinion, except as noted above, the accounting system was found to be adequate. We do recommend however that (1) grant funds be identified in the accounting records (2) source documents be so identified when grant related, and (3) an obligation system be established using purchase orders or requisitions approved by the managing director to identify charges to be incurred.

If further information is needed concerning this report, please contact me at the above address. Also, please send me your written comments concerning the recommended adjustments and unsupported costs within 90 days of the date of this memorandum, as well as copies of correspondence pertaining to this report.

Andrew H. Payne

EXHIBIT

## SUMMARY OF COSTS INCURRED OUTSIDE THE GRANT PERIOD

| | | Date | | |
|---|---|---|---|---|
| Vendor | Amount | Invoice or Request for Payment | Check | Contract or Agreement |
| Jay Williams Design Co. | $1,880 | 10-01-79 | 11-01-79 | None |
| Michael's Courier Service | 133 | 10-16-79 | 11-13-79 | None |
| David Dorwart | 350 | 10-16-79 | 10-22-79 | 9-21-79 |
| Thomas Dillon | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Lynn Cohen | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Zohra Lampert | 250 | 10-04-79 | 10-04-79 | 9-17-79 |
| Zohra Lampert | 221 | 10-04-79 | 10-04-79 | 9-17-79 |
| Judith A. Jurgaitis | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| J. Thomas Vivian | 215 | 10-04-79 | 10-04-79 | 9-17-79 |
| Chris Romilly | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Georgia Umans | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Alexandria Borrie | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Ronald Bishop | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| James Luisi | 250 | 10-04-79 | 10-04-79 | 9-17-79 |
| James Luisi | 221 | 10-04-79 | 10-04-79 | 9-17-79 |
| Scott Sorrells | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| William Rowely | 180 | 10-04-79 | 10-04-79 | 9-17-79 |
| Toni Goldin | 405 | 10-08-79 | 10-08-79 | 9-26-79 |
| Clark Transfer | 2,070 | 10-05-79 | 11-21-79 | None |
| Jay Williams Design Co. | 355 | 10-01-79 | 11-01-79 | None |
| Morgan Baer Orchestras Inc. | 375 | 10-03-79 | 10-29-79 | None |
| Thomas H. Blackwell | 197 | 10-05-79 | 10-07-79 | None |
| Michael Carney Music | 2,800 | 10-09-79 | 10-18-79 | None |
| C&P Telephone Co. | 279 | 10-04-79 | 10-29-79 | None |
| C&P Telephone Co. | 736 | 10-04-79 | 10-29-79 | None |
| The Big Cheese | 620 | 10-08-79 | 10-08-79 | None |
| Litho Composition | 340 | 10-05-79 | 11-09-79 | None |
| Equity League Welfare & Trust Fund | 1,069 | 10-28-79 | 11-08-79 | None |
| Equity League Welfare & Trust Fund | 1,564 | 10-28-79 | 11-08-79 | None |
| Hotel Washington (Toni Goldin) | 55 | 10-25-79 | 11-09-79 | None |
| Hotel Washington (David Dorwart) | 329 | 10-30-79 | 11-09-79 | None |
| Blackstone Cleaners | 45 | 11-01-79 | 11-09-79 | None |
| S. Jones | 21 | 10-28-79 | 11-12-79 | None |
| N. Lesser | 5 | 10-22-79 | 11-01-79 | None |
| Braaten Photography | 653 | 10-06-79 | 12-13-79 | None |

## SUMMARY OF COSTS INCURRED OUTSIDE THE GRANT PERIOD

| Vendor | Amount | Date: Invoice or Request for Payment | Date: Check | Date: Contract or Agreement |
|---|---|---|---|---|
| Discount Passport Photos | $240 | 10-15-79 | 2-05-80 | None |
| Jarboe Printing Co. Inc. | 2,848 | 10-25-79 | 1-22-80 | None |
| Blade Communications | 50 | 10-11-79 | 1-22-80 | None |
| Fred Zollo | 500 | None | 12-06-79 | 9-28-79 |
| Lynn Cohen | 15 | None | 12-27-79 | None |
| Fred Zollo | 631 | None | 12-06-79 | 9-28-79 |
| Rae Allen | 421 | None | 12-06-79 | 9-13-79 |
| Samuel French Inc. | 560 | None | 12-06-79 | 8-06-79 |
| Campbell, Peachey & Associates | 1,761 | 10-02-79 | 12-13-79 | None |
| Ridgewell's Caterer | 7,942 | 11-10-79 | 2-05-80 | None |
| Ridgewell's Caterer | 2,000 | 11-10-79 | 12-19-79 | None |
| Campbell Peachey & Associates | 67 | 10-02-79 | 2-18-80 | None |
| Campbell, Peachey & Associates | 40 | 10-02-79 | 2-18-80 | None |
| J. W. Thompson Co. | 7,490 | 10-31-79 | 1-08-80 | None |
| J. W. Thompson Co. | 11,882 | 10-31-79 | 1-08-80 | None |
| Woodward & Lothrop | 108 | 10-08-79 | 12-28-79 | None |
| Equity League Pension Fund | 202 | None | 1-04-80 | None |
| Society of Stage Directors and Choreographers Inc. | 360 | 12-07-79 | 1-22-80 | 9-13-79 |
| Gordon Caudill | 18 | 10-09-79 | 1-22-80 | None |
| Playtime | 100 | 1-08-80 | 1-22-80 | None |
|  | 54,293 |  |  |  |

# AGREEMENT
# BETWEEN
# FORD'S THEATRE SOCIETY
# AND
# THE UNITED STATES OF AMERICA
# DEPARTMENT OF THE INTERIOR
# NATIONAL PARK SERVICE

This Agreement entered into by and between the United States of America, Department of the Interior, National Park Service, acting by the Director, National Park Service, together with his successor(s) in office and duly authorized representatives, hereinafter referred to as the "Director," and Ford's Theatre Society, a non-profit corporation organized and existing under the laws of the District of Columbia, hereinafter referred to as the "Society,"

WITNESSETH:

WHEREAS, Ford's Theatre, located at 511 Tenth Street, N. W., in the District of Columbia, hereinafter referred to as "the Theatre," was purchased by the United States of America pursuant to the Act of April 7, 1866 (14 Stat. 23); and

WHEREAS, administrative jurisdiction of the Theatre has been vested in the National Park Service; and

WHEREAS, the Theatre is within the boundaries of the Ford's Theatre National Historic Site; and

WHEREAS, the National Park Service has a primary responsibility and commitment to foster public use and understanding of the site as a significant national historic resource; and

WHEREAS, an important aspect of the administration of Ford's Theatre and the interpretation of its historical significance to the Nation is the presentation of live theatre and other programs which promote the theatrical arts or have a relationship to Abraham Lincoln, to theatre presentations of his period, or to the ideals which he represents; and

WHEREAS, the Ford Theatre Society has adopted a "Statement of Purpose", as follows:

"It is the basic premise of the Ford's Theatre Society that this historic structure has been restored as a tribute to President Lincoln's love for the performing arts. We believe that the historical aspects of the building are more than adequately treated by its superb museum....

When Ford's Theatre was built in 1863, it was the most modern theatre in our country. A wide variety of live entertainment appeared on its stage. We propose to present programs which are faithful to the spirit of the theatre, and to Mr. Lincoln's love for the activities which occurred within its walls. Our programs, in the main, will be of the type Mr. Lincoln would have loved to attend were he alive today. We will seek to encourage young and innovative writers and performers and to offer presentations which might not ordinarily find a major national "showcase."

Appropriate major productions of the type of one-man shows which were the vogue in Mr. Lincoln's time will also be presented. We will endeavor to keep our productions relevant to the present time, yet will be ever aware of the great tradition and heritage which is our responsibility.

Ford's Theatre can be an exciting national historic site where as in Civil War-torn Washington, our leaders in Washington and the American people can find relaxation, laughter, beauty, inspiration, and some momentary relief from the tensions of a demanding world."

WHEREAS, the Director has determined that it would be in the public interest for a private organization with expertise in the presentation of live theatre to participate and cooperate in the interpretive program for Ford's Theatre by producing and presenting such live theatre and other productions in the Theatre; and

WHEREAS, the Ford's Theatre Society is willing to cooperate in the interpretive program for Ford's Theatre by assuming responsibility for such interpretive undertaking.

NOW, THEREFORE, pursuant to the authority of the Director contained in the Act of August 25, 1916 (39 Stat. 535), and other laws supplemental thereto and amendatory thereof, and Section 2(e) of the Act of August 21, 1935 (49 Stat. 666), the said parties, in consideration of the mutual promises herein expressed, by these presents do hereby agree as follows:

## I. RESPONSIBILITIES OF THE DIRECTOR

The Director, acting through the Regional Director, National Capital Region, National Park Service, the Superintendent, NCP-Central, and the Site Manager, Ford's Theatre, shall have responsibility for the Theatre. The Director, or his designee, shall be the liaison officer between the Service and the Society.

The Director agrees to provide services and to accept financial responsibility for such service as follows:

### A. Utilities:

The Director shall, at no expense to the Society, provide all utilities (electricity, heat, air-conditioning, water sewage and public telephones) necessary for operations of the Service and of the Society within the Theatre.

### B. Maintenance and Repairs:

The Director shall, at no expense to the Society, provide all maintenance and be responsible for keeping the Theatre and its facilities in a proper and safe state of repair.

The Director shall be responsible for keeping the sidewalks and curbs adjacent to the Theatre free and clear from snow, ice, and other obstructions.

The Director shall, subject to the availability of appropriations, at no expense to the Society, provide on a standby basis, maintenance personnel sufficient to assure the proper, continuous functioning of all mechanical and electrical systems of the Theatre. The Director, however, shall not be responsible for the Society's stage carpentry and properties nor for the operation of electrical systems used in conjunction with any rehearsals or presentations produced by the Society.

C. Modifications and Alterations:

The Director retains the authority to approve all proposed building modifications and alterations. However, no approval is required for routine modifications or alterations to stage carpentry, backstage equipment and other theatrical carpentry.

D. Janitorial Services:

The Director shall, at no expense to the Society, provide all janitorial services and supplies necessary to preserve the Theatre's facilities. It is understood that such services shall include but not be limited to, cleaning all lobby areas of the Theatre prior to all performances presented by the Society and assuring the cleanliness of the auditorium prior to the presentation of all performances.

E. Security:

The Director, at no expense to the Society, shall provide appropriate law enforcement, guards and security reasonably necessary for the safe and proper use of the Theatre by the Society and the public and shall undertake to enforce, as the Director deems appropriate, all applicable laws and regulations pertaining to the health, safety and conduct of persons at the Theatre.

F. Interpretation and Information:

(1) The Director shall provide and have responsibility for visitor interpretive and informational programs regarding the presentation of performing arts programs and related educational programs in the Theatre.

(2) To assist the Director in providing interpretive and informational services, the Society shall, on a regular daily basis consistent with the schedule described in Attachment A, assure that the Theatre is available to the Director for public tours and/or related Theatre interpretive and educational activities. In addition, the Society shall coordinate its activities to compliment established Theatre programs and special events.

(3) The Director shall provide public information for National Park Service sponsored programs.

G. Access:

Consistent with the schedule described in Attachment A, the Director shall insure that the Society has access to all areas of the Theatre required for accomplishment of Society objectives. The Director shall have the right at any time to enter any portion of the Theatre as may be necessary to carry out his responsibilities; provided that such right shall not be exercised in a manner which will unreasonably interfere with preparation for, rehearsal of, or performances of programs presented by or on behalf of the Society.

H. Notification of Use of Facilities:

The Director shall give the Society adequate notice of all activities of the Director which may affect the Society in carrying out its responsibilities.

I. Reimbursable Services:

The Director may, in his discretion, and upon the Society's request, furnish additional services (including services which are the responsibility of the Society) on an actual cost basis.

J. Use of the Theatre:

The Director agrees that the Society, for the term and purpose of this Agreement, shall have use of the stage or related theatrical areas, together with lighting, sound amplification, stage and backstage, and other equipment identified in Attachment B hereto, for the operations authorized hereunder, without charge and during specifically designated hours as described in Attachment A. The Director shall also, at no expense to the Society, provide all maintenance and repair necessary to keep the lighting, sound amplification, stage and backstage, and other equipment identified in Attachment B hereto in good working order. The Society shall in addition be given use of Theatre areas as indicated on Attachment A. Use of any other Theatre areas by the Society shall require the prior written approval of the Site Manager, Ford's Theatre.

K. Equipment and Fixtures in the Theatre:

Theatrical equipment and fixtures provided by the Director for the benefit of the Society's performing arts activities shall be operated and used by the Society in a responsible manner to avoid unreasonable wear and tear or damage.

L. Federal Financial Assistance:

The Director shall, subject to the availability of appropriations, consider applications from the Society for Federal financial assistance in an amount of approximately $200,000 per year to support and stimulate innovative live theatre programming at Ford's Theatre. Such applications shall be processed in accordance with applicable regulations and guidelines governing Federal grant activities, including but not limited to OMB Circular A-110, dated July 1, 1976.

Consideration of applications for Federal financial assistance shall be contingent upon the Society's demonstrating that all reasonable efforts have been made to fund obligations out of Society resources, including funds received from ticket sales, concessions and fund raising, and that such resources are insufficient to finance obligations of the Society. Without prejudice to the foregoing, the Society shall have the right to accumulate a pre-production reserve and an operating reserve sufficient to meet any deficits (beyond those funded by anticipated Federal financial assistance) which may reasonably be expected to arise during the next following program year.

M. Liability:

The United States shall accept responsibility and assume liability for any and all claims arising through tort actions which result from acts or omissions of the United States in the performance of the obligations undertaken herein to the fullest extent permitted by law. It is recognized that the United States is responsible for the maintenance and repair of the structural integrity of the building.

## II. RESPONSIBILITY OF THE SOCIETY

Subject to the rights of the Director as set forth in and during the term of this Agreement, the Society shall have the authority and responsibility to contract for the production and/or itself present performing arts and related educational programs in the Theatre which promote the theatrical arts or have a relationship to Abraham Lincoln, to theatre presentations of his period, or to the ideals which he represents. However, in no event shall the Society rent out the Theatre to any third party. The Society will supply all funds necessary for contracting for and/or itself presenting such programs, subject to the provisions of this Agreement, and will receive the income derived from such programs, including but not limited to admission charges, sale of theatre programs, income derived from contractual arrangements between the Society and producers and educational organizations for presentation of programs for the public.

It is understood that the Director intends, at no expense to the Society, to present continuing, daily, year-round interpretive programs and historical talks during the term of this Agreement, to the public in the Theatre.

The Society agrees to provide the following services and to accept financial responsibility for such services as provided below:

A. Theatrical Productions and Other Programs:

The Society shall provide performing arts attractions, lectures, and other programs including programs for children, youth and the elderly, and facilities for other civic activity. All programs and presentations presented by the Society in the Theatre shall be in accord with the "Statement of Purpose" and the Society shall notify the Director of the nature of the programs to be produced or presented by it.

The Society shall be financially and otherwise responsible for all of its performing arts and other functions within the Theatre and shall bear the cost of all equipment and services relating to such activities (except to the extent specifically undertaken by the Director under this Agreement). This responsibility shall include all costs for house manager, stagehands, wardrobe personnel, ushers, theatre box office operations, theatrical consultants, stage operating and stage lighting equipment, instruments, sound equipment, riggings, stage projection equipment, dressing room and specialized lighting and all other backstage, theatrical and stage apparatus utilized specifically for theatrical productions except as otherwise expressly provided herein.

The production responsibility of the Society includes all necessary cast, actors, musicians, dancers, conductors, soloists, choristers, singers, ballet dancers, supernumeraries, choreographers, lighting designers, directors, make-up personnel, wardrobe personnel, shoe personnel, scenery, costumes, special electrical and sound equipment, necessary storage for props and equipment, literary and musical material, advertising, and press material.

B. Notification of Operating Schedule:

The Society agrees to promptly notify the Site Manager, Ford's Theatre, of its operating schedule as arrangements for programs and presentations are made. If any program schedule or arrangements will unreasonably increase the obligations of the Director, the Director shall notify the Society and the parties shall agree to modifications necessary to allow the schedule or arrangements to be provided within the resources available to the Director.

C. Admission Charges:

The Society shall notify the Director of proposed admission charges for the programs to be presented in the Theatre. Any charge made by the Society for admission to any live theatre presentation or other program or presentation produced or presented by the Society in the Theatre shall belong to the Society. The Service has stated that charges for tickets should be kept lower than the levels currently in effect for similar performances at area theatres. It is understood, however, by the parties that, at the request of the Director, blocks of tickets may be set aside, by mutual consent, for free distribution, in furtherance of the Director's interpretive and urban park program activities in the Metropolitan Washington area, and provided further that the Society itself may set aside blocks of tickets for free distribution or sale at reduced prices in furtherance of its charitable and educational objectives.

No charge shall be made for admission without prior approval by the Director which shall not be unreasonably withheld; provided that if within 21 days after delivery of notice of proposed admission charges, the Director does not object in writing to the Society, the Director shall be deemed to have consented thereto. If the Society deems it necessary to change the schedule of admissions to a performance after it has been submitted to the Director, the Director shall be notified of such proposed change and his prior written approval thereof obtained. No admission charges shall be announced publicly until approved in accordance with this paragraph.

D. Tickets and House Programs:

All arrangements for sale and disposition of tickets at the box office in the Theatre and at other locations for all events presented by the Society during the performing season shall be made and funded by the Society.

The Society shall, at its own expense, furnish or cause to be furnished house programs which shall be distributed free of charge at all events which are presented by the Society during the performing season in the Theatre. Nothing contained in this Agreement shall be construed to prohibit the Society from accepting payment for commercial advertisements appearing in such house programs.

E. Advertising and Promotion of Programs:

The Society shall provide press relations and advertising services for the programs for which it contracts in the Theatre. The Public Affairs Officer of the Society shall cooperate with the Site Manager, Ford's Theatre.

F. Utilities:

The Society shall comply with the energy conservation plans and directives of the National Park Service. The Society shall have the right to install and to maintain in the Theatre, at its expense and at locations mutually agreeable to the Society and the Director, such telephones for the Society's private use as the Society may deem necessary or desirable.

G. Maintenance and Repairs:

During the term of this Agreement the Society shall be responsible for all its stage carpentry and properties and for the operation, but not maintenance or repair, of electrical systems used in conjunction with any rehearsals or presentations produced by the Society.

H. Use of Facilities:

In addition to the program schedule provided for in paragraph II.B, the Society will advise the Site Manager, Ford's Theatre, of all program schedules, rehearsals and other uses of the Theatre including any use by third party occupants sufficiently in advance of such use so as to permit the Director to fulfill the obligations undertaken herein.

I. Access:

The Society will ensure that the Director has access to all areas of the Theatre provided that such access does not unreasonably interfere with Society's functions, including preparation for, rehearsal of, or performance of programs presented by or on behalf of the Society.

J. Modifications and Alterations:

The Society will submit any proposed modification, alteration, or construction plans to the Director for review and written approval in order to ensure the integrity of the historical character of the Theatre and its fixtures. Such plans shall be promptly submitted to the Director in advance of any proposed change and the Director shall cause the plans to be promptly reviewed. No proposed modification, alteration, or construction shall be undertaken without the written consent of the Director.

K. Personal Property:

The Society may install personal property subject to the written approval of the Director to assist in presenting programs which shall remain the property of and may be removed by the Society at any time, provided such installation and/or removal does not damage the entertainment space and facilities. To avoid undue wear and tear on said entertainment space and facilities, such personal property may, in the discretion of the Director, be allowed to remain in place during periods when the Society is not using said entertainment space and facilities, provided, however, that (i) it shall be removed if the Service reasonably objects in writing that it interferes, or will interfere, with its use and occupancy of said entertainment space and facilities, and (ii) it shall not be used, removed or dealt with by any person other than the Society without the written consent of the Society being filed with the Service.

L. Signs:

The design, location and method of installation of any signs placed on the interior walls of the Theatre by the Society must be approved in writing by the Site Manager, Ford's Theatre. After the Service has approved the location format and method of installation of any such sign, the Society may not change the sign without further approval by the Service. This paragragh shall not be construed to relieve the Service of its obligation to provide for appropriate signs in the Theatre.

M. Insurance:

The Society agrees to assume liability for any and all claims arising from the acts or omissions of its representatives, employees, contractors or employees of contractors and shall:

(1) procure public and employee liability insurance from responsible companies with a minimum limitation of $1 million per person for any claim and an aggregate limit of $3 million for any number of claims arising from any one incident. The United States shall be named as an additional insured on all such policies. All such policies shall specify that the insured shall have no right of subrogation against the United States for payments of any premiums or deductibles thereunder and such insurance shall be assumed by, be for the account of, and be at the insurer's sole risk.

(2) pay the United States the full value of all damages to the lands or other property of the United States caused by the Society, its representatives, employees, contractors or employees of contractors.

(3) indemnify, save and hold harmless and defend the United States against all fines, claims, damages, losses, judgments and expenses arising out of or from any omission or activity of the Society, its representatives, employees, contractors, or employees of contractors.

N. Accounting Records and Reports:

(a) The Society shall maintain such accounting records as may be reasonably prescribed by the Director. The business year of the Society shall begin on October 1 of each year. The Society shall submit, annually, as soon as possible (but not later than sixty (60) days) after the 31st of October, a public accounts report on their financial position and result of operations for the preceding year giving such information about its business and operations of the Society under this Agreement as are traditionally contained in such reports and such other information as may be reasonably prescribed by the Director. The Director shall have the right to verify and audit all such reports from the books, correspondence, memoranda, and other records of the Society during the period of the Agreement, and for such time hereafter as may be necessary to accomplish such verification.

(b) The Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of the Society have access to and the right to examine and audit any of its pertinent books, documents, papers, and records of the Society related to this Agreement.

O. Information and Educational Programs:

The Society shall be responsible for providing appropriate public notice and information concerning performances and other Society activities and for developing and implementing, in cooperation with the Director, appropriate information and educational programs concerning these performances and activities.

P. Fund Raising by Society:

The Director acknowledges that in its fund raising drive the Society may designate donors as Patrons, Sponsors, Members, or some other similar class.

Q. Employees of the Society:

The Society may be required, by the Director, to have its employees who come in direct contact with the public, so far as practicable, to wear a uniform or badge by which they may be known and distinguished as the employees of the Society. The Society shall require its employees to exercise courtesy and consideration in their relations with the public.

The Society shall review the conduct of any of its employee(s) whose action or activities are considered by the Society or the Director to be inconsistent with the proper administration of the Theatre and enjoyment and protection of the public and shall take such actions as are necessary to fully correct the situation.

R. Third Party Occupants:

The Society in order to accomplish its production and educational responsibilities shall have the authority, as set forth in this agreement, to authorize the use of the Theatre by third party occupants. All such use and contracts or agreements authorizing such use are subject to prior approval of the National Park Service.

All contracts, licenses, leases, permits or other authorizations executed for activities within the Theatre shall contain the following paragraphs:

> "The Contractor (Permittee, Licensee, etc.) agrees to comply with all directives of the National Park Service in regard to health, safety, security matters, and protection of park resources at Ford's Theatre and agrees to comply with all written rules and regulations of the National Park Service in regard to Theatre activities and to grant access to the Park Service to any and all areas of operations. This provision shall be enforceable by the National Park Service as well as by the Society and breach hereof shall be grounds for immediate termination of this Agreement."
>
> "The Director, National Park Service, or any of his duly authorized representatives, shall have the right to verify and audit all books, correspondence, memoranda, and other records of the Contractor (Permittee, Licensee, etc.), during the period of this Agreement and for such time thereafter as may be necessary to accomplish such verification."

"The Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of the Contractor (Permittee, Licensee, etc.), have access to and the right to examine and audit any of the pertinent books, documents, papers, and records to this Agreement."

## III. GENERAL

### A. Definitions:

The term "Director" as used in this Agreement, shall include the Regional Director, National Capital Region, Superintendant, National Capital Parks Central, Site Manager, Ford's Theatre, or such other person as may be designated by the Director, after ten (10) days notice to the Society, who may act for the Director in exercising all of his authority under this Agreement, including the authority to execute amendments and to give any notices and approvals provided for herein.

Whenever the term "Society" is used in this Agreement, it shall be deemed to mean and include the Ford's Theatre Society's duly authorized officers and employees.

The term "Theatre" as used herein refers to the Ford's Theatre.

The term "third party occupants" as used herein includes all persons, groups, or organizations permitted by the Society to conduct operations within the Theatre.

### B. Term of Agreement:

This Agreement shall be in effect through September 30, 1983, unless earlier terminated as herein provided.

C. Termination of Agreement:

(1) Termination for Default. It is agreed that in case of default on the part of the Society to observe the conditions of this Agreement, the Director shall promptly notify the Society in writing of said default and may, if the default is not cured within sixty (60) days after the date of said notice, declare this Agreement forfeited without any legal process whatever.

In the event of such termination for default on the part of the Society, funds held by the Society in the reserve to support the current year and the following booking season shall be applied against its contractual and other commitments in connection with performing arts programs in the Theatre.

It is agreed that in case of default on the part of the Service to observe the conditions of this Agreement, the Society shall promptly notify the Service in writing of said default and may, if the default is not cured within sixty (60) days after the date of said notice, declare this Agreement forfeited without any legal process whatever.

(2) Termination for Convenience of the Government:

The Director reserves the right to terminate this Agreement after ninety (90) days notice, whenever in his judgment such termination is required in the public interest. In the event of a termination under this subparagraph (2), the United States shall be deemed to have breached this contract, provided however, in no event shall the United States be responsible for any loss of profits occasioned by such termination.

D. Assignment of Agreement:

It is agreed that this Agreement is not assignable, however, it may be transferred to a corporation formed for the purposes of continuing and carrying out the purposes of this Agreement and then only with the approval of the Director.

E. Radio, Broadcasting, Televising, Recording, and Publishing:

Any radio broadcasting, televising, filming, photographing, taping, audio recording, or other kinds of reproduction undertaken for purpose of resale to the public, or in fact sold to the public, shall require the prior written approval of the Director.

F. Consultation Between the Society and the Service:

The Society and the Director, through their representatives, shall maintain close liaison and consult regularly on all matters pertaining to the activities of the Theatre. Before taking any action which may result in closing the Theatre or delay, cancel or otherwise materially affect any performance, the Director shall consult with the Society unless such action is immediately necessary to protect public health or safety and such consultation is therefore impracticable.

G. Headings:

The headings throughout this Agreement are for convenience and reference only and the words contained herein shall in no way be held to explain, modify, amplify, or aid in interpretation, construction, or meaning of the provisions of this Agreement.

H. Invalidity:

If any provision of this Agreement or its application to any person or in any circumstance shall be invalid or unenforceable, the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

I. Non-Discrimination:

The parties hereto will abide by the provision of Executive Order 11246 and 11375; will not discriminate in the selection of participants for any program on the grounds of race, creed, color, sex or national origin; and will observe all the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000(d)).

J. National Park Service Appropriations:

Nothing herein contained shall be construed as binding the Director to expend in any one fiscal year any sum in excess of appropriations made by Congress for the purpose of this Agreement for that fiscal year, or to involve the Director in any contract or other obligation for the further expenditure of money in excess of such appropriations. Nor, shall anything herein be construed as denying the Society the authority to make expenditures for improvements or other purposes in furtherance of its objectives of this Agreement, and approved by the Director, whenever the Director is unwilling or unable to commit funds for such purposes.

K. Public Laws:

Nothing contained in this Agreement shall be deemed to be inconsistent with or contrary to the purpose or intent of any Act of Congress establishing, affecting, or relating to Ford's Theatre, including but not limited to the Act of April 7, 1866 (14 Stat. 23).

L. Members of Congress:

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefits that may arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

M. Amendment of Society's By-laws:

The Society agrees that it has taken or that it will promptly take whatever actions are required to amend its by-laws and otherwise to allow it to comply with the provisions of this Agreement.

N. Gifts and Contributions:

The Society agrees that any private gifts or contributions made to it will be utilized by the Society in connection with its activities at Ford's Theatre only, unless any such gift or contribution is made expressly for the support of activities conducted by the Society elsewhere than at the Theatre.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 25th day of July, 1980.

UNITED STATES OF AMERICA

By Manus J Fish Jr

Regional Director, National Capital Region

FORD'S THEATRE

By Frankie Hewitt

President

Attachment A

## Access and Use of Ford's Theatre:

The Director and the Society mutually agree to cooperate fully with each other in order to afford to the public the programs and presentations contemplated by this Agreement, and, accordingly, mutually agree to use during the term of this Agreement their best efforts to coordinate their use of the Theatre. Without limiting the generality of the foregoing, during the term of this Agreement the Society (including the Society's independent contractors as well as its agents) shall, at no expense to the Society, have access to and the use of the Theatre as follows:

1. Use by Society. During the term of this Agreement, the Society

A. Shall have the use of and access to the following areas of the Theatre, as indicated on the drawings which are made a part hereof by reference (hereinafter referred to as the Drawings):

(1) Star Saloon Box Office - Main floor

(2) Green Room - First floor, North Annex

(3) Technical Director's Office - First floor, North Annex

(4) Group Sales Office - Dress Circle, Second floor

(5) Administrative Offices - Third floor, North Annex

B. From 5 p.m. until 1 a.m. daily, the Society shall have use and access to the following areas of the Theatre, as indicated on the Drawings;

(1) Orchestra Level
(2) Dress Circle Level
(3) Family Circle Level

C. From 12 Noon until 4 p.m. on Thursday and from 2 p.m. until 5 p.m. on Sunday the Society shall have use and access to the areas of the Theatre indicated in 1.B above.

D. Shall have use and access to the areas of the Theatre indicated in 1.B, above, for the purpose of conducting necessary rehearsals, except that the Dress Circle Level shall remain open to the public during these periods. The Site Manager, Ford's Theatre, shall be notified regarding the scheduled time required for all rehearsals.

E. Shall coordinate with Site Manager, Ford's Theatre, in scheduling technical lighting which requires the darkening of the house so as to allow maximum practicable access for the public during visitor hours (9 a.m. to 5 p.m.).

2. Use of Stage Area. At any time when the Society does not have the use of the area designated on the Drawings as Orchestra Level, hereafter referred to as the Stage Area,

A. The Society shall at its expense make available free and clear of sets and scenery such portion of the Stage Area as is adequate to accommodate an "Informances" stage set similar in size to the set currently being utilized;

B. The Director may cause the "Informances" stage set to be in place in the portion of the Stage Area made available pursuant to subparagraph A. above;

C. The Society shall have the use of such portion of the Stage Areas as is not occupied by the "Informances" stage set;

D. The Director shall use the Stage Area only for setting in place the "Informances" stage set. Such set shall, however, be removed from the Stage Area at all times when the Society has the use of such area, and all removals and replacements of such set shall be the responsibility of the Director and shall be made at no expense to the Society; and

E. All the stage equipment and rigging including, but not limited to, all the stage lines will be available for the Society's use at no expense to it.

It is anticipated that the provisions of this Attachment will enable the Director and the Society to afford to the public the programs and presentations contemplated by this Agreement, but because it is possible that such provisions will not afford such result, the parties hereto agree to continually re-examine, in good faith, the provisions of this Attachment, and if any such examination reveals that the provisions of this Attachment have not enabled the Director and the Society to afford to the public the programs and presentations contemplated, the parties hereto agree to amend the provisions of this Attachment in order to attempt to achieve such purpose.

## Attachment B

National Park Service Equipment:

| | |
|---|---|
| 1 | Scrimmer switch board, 5-scene preset |
| 21 | 8 x 9 Ellipsoidals |
| 63 | 6 x 12 Ellipsoidals |
| 30 | 6 x 9 Ellipsoidals |
| 16 | 6 x 16 Ellipsoidals |
| 12 | 6 inch Fresnels |
| 12 | 8 foot border lights, 4 circuit |

# AGREEMENT BETWEEN
# WOLF TRAP FOUNDATION FOR THE PERFORMING ARTS
# AND
# THE UNITED STATES OF AMERICA
# DEPARTMENT OF THE INTERIOR
# NATIONAL PARK SERVICE

THIS AGREEMENT entered into by and between the United States of America, Department of the Interior, National Park Service, acting by the Director, National Park Service, together with his successors in office and duly authorized representatives, hereinafter referred to as "the Director," and Wolf Trap Foundation for the Performing Arts, a non-profit corporation organized and existing under the laws of the District of Columbia, hereinafter referred to as "the Foundation."

WITNESSETH:

WHEREAS, Wolf Trap Farm Park for the Performing Arts of Fairfax County, Virginia, hereinafter referred to as the "Park," was established in accordance with the Act of October 15, 1966 (80 Stat. 950, 16 U.S.C. 284) on approximately 100 acres of land directly donated, or caused to be donated to the United States by Mrs. Jouett Shouse, together with five (5) usable buildings and funds for construction of the Filene Center, hereinafter referred to as "the Center," pursuant to an agreement of May 20, 1966, between Mrs. Jouett Shouse and the Secretary of the Interior; and

WHEREAS, the Congress has stipulated in said Act that the Park be established, developed, improved, operated and maintained as a park for the performing arts and related educational programs, and for recreation use in connection therewith, for the benefit of the general public; and

WHEREAS, the accomplishment of the purposes of the above-cited Act requires that facilities and services be provided for the public visiting the Park, in particular the presentation of performing arts, programs and related educational programs in the aforesaid Center and at other locations in the Park; and

WHEREAS, the Secretary determined from the very outset that it would be in the public interest for a private foundation with expertise in the performing arts to present the performing arts programs and certain related educational activities in the Park and to provide certain services pertaining to such activities under the supervision and regulation of the Secretary and his designee, the Director of the National Park Service; and

WHEREAS, the Foundation was created in November, 1968 for that purpose; has satisfactorily presented the performing arts program and related acitivities in the Park since that time under and pursuant to a written agreement with the Secretary which has been extended, but which is now scheduled to expire; and has undertaken to continue to do so in the future under and pursuant to the terms and conditions hereinbelow set forth.

WHEREAS, the Secretary and the Foundation have determined that the presentation of performing arts programs and related educational activities should, to the extent possible, become financially self-supporting.

NOW, THEREFORE, pursuant to the authority of the Secretary contained in the Act of October 15, 1966 (80 Stat. 950, 16 U.S.C. 284), the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C.,1, et seq.); the Act of August 18, 1970 (84 Stat. 826, 16 U.S.C. 1a-2(g)); and the Act of February 3, 1978 (P.L. 95-224), the said parties, in consideration of the mutual promises herein contained, do hereby agree as follows:

I. RESPONSIBILITIES OF THE SECRETARY AND HIS DESIGNEE, THE DIRECTOR, NATIONAL PARK SERVICE: The Secretary, by Act of Congress, acting through the Director, National Park Service, hereinafter referred to as the "Director," shall have responsibility for the Park, including the Center, other than the performing arts functions which are granted to the Foundation as hereinafter delineated.

A. Structural and General Maintenance of the Park, The Center and All Other Buildings in The Park: The National Park Service, hereinafter referred to as the "Service," at no expense to the Foundation, shall be responsible for the structural and general maintenance necessary to insure the integrity of the Park, the Center and all other buildings and structures in the Park. The Service shall be responsible for all maintenance for park roads, trails, parking areas, walks, paths, grounds, picnic areas and landscape features within the Park. The Service shall be responsible for providing all utility installations for all structures within the Park.

B. Utilities: The Service shall provide utilities including electricity, heat, water, sewage, gas and telephone service within the Park, provided however, that the Service shall not be responsible for any utilities within the Box Office areas or within areas occupied by third party occupants or concessioners. The Service shall be responsible for existing telephone service used by the Foundation and the Box Office for the first 12 months of this agreement. During the remainder of the term of this agreement, the Foundation shall be responsible for rental of the telephone instruments. Utility services in the Box Office, concession and third party occupant areas shall be the responsibility of the Foundation.

C. Janitorial and Routine Maintenance Services: The Service shall provide all janitorial services within the Park and Center except that janitorial services within the concession and third party occupant areas shall not be the responsibiliitly of the Service. In furtherance of this responsibility the Service shall maintain the cleanliness of all public areas prior to and during each performance; assure the cleanliness of the backstage area prior to each performance; maintain the cleanliness of areas used by Foundation personnel and contracted performers and maintain the cleanliness of all areas open to the public when the Box Office is open or the Center is being utilized or is open for public viewing. The cleanliness of all concession and third party occupant areas prior to, during and after use of such areas shall be the responsiblity of the Foundation.

The Service shall provide routine maintenance service in all areas of the Park and Center except in the concession and third party occupant areas. The Foundation shall be responsible for routine maintenance in those areas which it has authorized concessioners and third party occupants to use. The Foundation's responsibility shall include all equipment and fixtures located within such areas. It is specifically understood that in the dinner tent area the Service shall be responsible only for the structural integrity of the deck area. The Service's routine maintenance responsibility shall, subject to the availability of appropriations, include providing maintenance personnel sufficient to assure the proper functioning of all mechanical and electrical systems and equipment in the Center during rehearsals and performances.

D. Park Service Staffing: The Service shall provide or pay for staff to meet its responsibilities under this agreement, including ~~a~~ House Manager for the Center, ushers, parking attendents, personnel for the supervision of visitors, police and fire protection, law enforcement, traffic control, security of facilities, first aid service, and all other front and back of the house personnel, including stagehands, required for proper functioning of the Center and the presentation of performances and conducting of rehearsals.

In fulfilling the obligation undertaken to provide ~~for~~ stagehand services, the Service shall contract with the Foundation to provide ~~for~~ such services ~~in~~ [illegible] accord with ~~the~~ applicable Federal procurement laws and regulations. Administrative costs related to the provision of stagehands may be included as part of the contract negotiations in accordance with applicable Federal procurement laws and regulations. Although the Service shall seek sufficient funds to pay for contemplated costs of stagehands, the obligation of the Service to provide stagehand services shall be limited to the amount of appropriations made available for that purpose. Any stagehand services required in excess of the amount made available by appropriations for that purpose shall be the responsibility of the Foundation.

The Service shall have no obligation to furnish Box Office personnel and other personnel of the Foundation or personnel of programs contracted for or presented by the Foundation, as hereinafter provided.

E. Equipment And Fixtures In The Center: The Service shall provide all theatrical equipment, which shall be properly maintained, for use by the Foundation in connection with programs presented in the Center. This shall include lighting equipment, sound amplification equipment and stage and backstage equipment located in the Center which is required for the production and presentation of programs by the Foundation. The Foundation shall be responsible for providing any other necessary special equipment.

If the Foundation finds that replacement, additions or modifications need to be made to cure deficiencies in such Service-provided equipment, the Foundation shall promptly notify the Service in writing and recommend necessary changes or replacements. The Service, at the discretion of the Director, shall make changes or provide replacements provided appropriations are available for such purposes.

F. Informational Activities: The Service shall provide informational pamphlets and services for visitors to the Park, and it shall conduct public tours and related activities in the Park and the Center. The Center shall be made available for such tours and activities on a regular basis, but the Service and the Foundation shall cooperate to assure that such tours and activities are scheduled so as not to disrupt the preparation for, rehearsal of, or performance of programs on stage or the Foundation's other responsibilities hereunder.

G. Service's Access: The Service shall insure that the Foundation has access to all areas of the Center and other locations in the Park, as necessary, provided such access shall not disrupt the Service's functions. The Director shall have the right at any time to enter any areas of the Park, including the Center, to carry out his responsibilities; provided that such right shall not be exercised in a manner which will disrupt preparation for, rehearsal of, or performances of programs presented by or on behalf of the Foundation. The Director shall give the Foundation adequate notice of all activities of the Service which may affect the Foundation in carrying out its responsibilities under this agreement.

H. Foundation's Use of Center And Other Park Areas: The Foundation, during the performance season and for the purposes of this agreement, shall have primary use of the Center, without charge, together with lighting, sound amplification, stage and backstage, and other equipment provided therein by the Service. The Foundation shall also have use, without charge, of the concession areas in the Center complex, and with the written approval of the Director, the use of other performing arts areas in the Park required to enable the Foundation to discharge its responsibilities hereunder.

I. Reimbursable Services: The Director may, at his discretion, and upon the Foundation's written request, furnish additional services (including services which are the responsibility of the Foundation) on an actual cost basis.

J. Federal Financial Assistance: In order to support and stimulate performing arts endeavors at Wolf Trap Farm Park for the Performing Arts the Service shall process applications from the Foundation for Federal financial assistance in an amount equal to that made available to the Service by appropriation for such purposes. Applications shall be processed in accord with applicable regulations and guidelines governing Federal grant activities. It is the intent of the Service and the Foundation to work toward making the performing arts programming at Wolf Trap a financially self-sufficient operation in order to eliminate the necessity for Federal financial assistance in the future while at the same time maintaining the high caliber of the performing arts presentations.

II. Foundation Responsibility And Authority For Programs: Subject to the rights of the Director as set forth herein and during the term of this agreement, the Foundation shall have the exclusive authority and responsibility, except as limited in this paragraph II, to contract for the production and presentation of and/or itself present performing arts and related educational programs in the Center or in other areas of the Park when authorized by the Park Director. Interpretative Programs which are traditionally conducted throughout the National Park System and which are tailored to the unique characteristics of each unit of that System, shall remain the responsibility of the Director.

The Foundation shall supply all funds, other than Federal funds provided for support, necessary to contract for and/or itself present performing arts and related educational programs under the provisions of this agreement. In consideration thereof, the Foundation shall be entitled to receive the income derived from such programs, including, but not limited to, admission charges, income derived from contractual arrangements between the Foundation and producers and educational organizations for presentation of programs for the public, fees from

A. Theatrical Productions And Other Programs: The Foundation shall provide performing arts attractions, and related educational programs in the Center during the season. The Foundation shall be financially and otherwise responsible for all such attractions and programs, and in connection therewith, shall furnish, in each instance, complete casts, directors, lighting designers, theatrical consultants, actors, musicians, dancers, conductors, soloists, choristers, singers, ballet dancers, supernumeraries, choreographers, make-up personnel, wardrobe personnel, shoe personnel, scenery, and other specialized equipment, costumes, special electrical and sound equipment utilized by specific performers, and all literary and musical material, theatrical sets and props and necessary storage for such sets and props. In addition, the Foundation shall

(1) arrange for sale and distribution of tickets at the Box Office in the Park and at other locations for all attractions presented by the Foundation;

(2) maintain press relations, provide press materials and advertising services for programs it presents in the Center or at any other location in the Park and in all relations with the press and in advertising performing arts programs in the Park, the Foundation and the Service shall cooperate;

(3) comply with the regulations of the Service with respect to any radio broadcasting, television, filming, photography, taping, audio recording, or other kinds of reproduction of any nature whatsover.

(4) furnish House Programs which will be distributed free of charge at all events presented by the Foundation in the Center; and

(5) be responsible for existing concessions within the Park.

B. Approval by Director: The Foundation agrees that, during the term of this agreement it will present to the Director, on or before February 1 of each year, a detailed schedule of programs for the upcoming season. Should the Director not transmit his approval or disapproval within fifteen (15) days after receipt, thereof, he shall be deemed to have approved the proposed schedule. Any changes in or additions to the schedule of previously approved programs shall be presented in writing to the Director for approval or disapproval sufficiently in advance of such presentations.

The Foundation will continue to negotiate with the National Symphony Orchestra to provide concerts in the Center as may be mutually agreeable. In addition, the schedule shall include two weekends for National Folk Festival and International Children's Festival activities and shall accommodate the Park's July 4th celebration. All performances shall be scheduled in order to provide a time interval of at least 4 hours between performances.

The Park shall provide the services as herein described in support of the approved schedule up to the amount programmed for Wolf Trap Farm Park, for those purposes.

C. Admission Charges: The Foundation shall notify the Director of proposed admission charges, or proposed changes in such charges, for the programs to be presented in the Park. Such charges shall be kept at approximately the levels currently in effect for similar performances in the Greater Washington, D.C., Metropolitan Area. No charge shall be announced or made for admission without the written prior approval of the Director, which shall not be unreasonably withheld.

The Foundation may, with the written concurrence of the Director, set aside blocks of tickets for free distribution or sale at reduced prices in furtherance of its charitable and educational objectives. The Foundation shall provide the Service, without charge, a box of eight (8) seats for each performance at the Center. The Foundation shall make no other free tickets available to officials or officers of the Department of the Interior.

D. Insurance: The Foundation agrees to be fully responsible for the management, use and safety of those portions of the Park which are made available to the Foundation to perform its reponsibilities hereunder, and during such periods of time as it actually utilizes those portions of the Park in furtherance of the Foundation's responsibilities under this agreement. The Foundation agrees to assume liability for any and all claims by third parties arising from the acts or omissions of its representatives, employees, contractors or employees of contractors in furtherance of the responsibilities undertaken by the Foundation under this agreement and shall:

1. procure public and employee liability insurance from responsible companies with a minimum limitation of Five Hundred Thousand Dollars ($500,000.00) per person for any one claim and an aggregate limit of One Million Five Hundred Thousand Dollars ($1,500,000.00) for any number of claims arising from any one incident. The United States shall be named as an additional insured on all such policies. All such policies shall specify that the insured shall have no right of subrogation against the United States for payments of any premiums or deductibles thereunder and such insurance shall be assumed by, be for the account of, and be at the insured's sole risk.

2. pay the United States the full value for all damages to the lands or other property of the United States caused by the Foundation, its representatives, employees, contractors or employees of contractors.

3. idemnify, save and hold harmless and defend the United States against all fines, claims, damages, losses, judgments and

expenses arising out of or from any omission or activity of the Foundation, its representative, employees, contractors or employees of contractors.

E. Personal Property: The Foundation may with approval by the Director install personal property to assist in presenting programs which shall remain the property of and may be removed by the Foundation at any time, provided such installation and removal does not damage the entertainment space or facilities.

F. Signs: The design, location and method of installation of any signs placed in the Park or Center by the Foundation must be approved in writing by the Service. After the Service has approved the location format and method of installation of any such sign, the Foundation may not change the sign without further approval of the Service.

G. Modifications And Alterations: The Foundation will submit any proposed modifications, alteration or construction plans to the Director for review and written approval in order to insure the integrity of the Center and its fixtures. Such plans shall be submitted sufficiently in advance of any proposed change so as to permit review by the Service, and will not be undertaken without the aforesaid written approval.

H. Accounting Records And Reports:

(a) The Foundation shall maintain such accounting records as may be reasonably prescribed by the Director. Copies of Box Office statements shall be provided to the Service on a weekly basis. Such statements shall include a specific listing of the distribution of all complimentary tickets. The fiscal year of the Foundation shall begin on November 1 of each year. The Foundation shall submit, annually, as soon as possible (but not later than ninety (90) days) after the 31st of October), a public accounts report on its financial position and result of operations, including concessions, operations, for the preceeding year giving such information about the business and operations of the Foundation and its concessioners under this agreement as is traditionally contained in such reports and such other information as may be reasonably required by the Director. The Director shall have the right to verify and audit all such reports from the books, correspondence, memoranda, and other records of the Foundation and its concessioners, during the period of this agreement, and for such time hereafter as may be necessary to accomplish such verification.

(b) The Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of the Foundation have access to and the right to examine and audit any of the pertinent books, documents, papers, and records of the Foundation and/or its concessioners related to this agreement.

I. Concessioners And Other Third Party Occupants: The Foundation shall have the authority to authorize use of the areas assigned and indicated on Attachment A by concessioners and other third party occupants and shall be responsible for the cost of all services provided such concessioners and third party occupants. All such use and contracts or agreements authorizing such must be consistent with National Park Service concessions management practices and procedures which include specific practices and procedures on quality and pricing of items sold.

Copies of all contracts, licenses, leases, permits or other authorizations executed for activities within the Park must be provided to the Service within 30 days of execution and shall contain the following paragraphs:

> "The Contractor (Permittee, Licensee, etc.) agrees to comply with all directives of the National Park Service in regard to health, safety, security matters, and protection of park resources at Wolf Trap Farm Park and agrees to comply with all written rules and regulations of the National Park Service in regard to activities at the Park and to grant access to the Park Service to any and all areas of operations. This provision shall be enforceable by the National Park Service as well as by the Foundation and breach hereof shall be grounds for immediate termination of this agreement."

> "The Director, National Park Service, or any of his duly authorized representatives, shall have the right to verify and audit all books, correspondence, memoranda, and other records of the Contractor (Permittee, Licensee, etc.) during the period of this Agreement and for such time thereafter as may be necessary to accomplish such verification.
>
> The Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of five (5) calendar years after the close of the business year of the Contractor (Permitee, Licensee, etc.), have access to and the right to examine and audit any of the pertinent books, documents, papers, and records to this Agreement."

J. Fund-Raising By Foundation: The Foundation shall continue to have the right to engage in any and all fund-raising activities necessary and appropriate to support its functions hereunder. Any services provided by the Park to the Foundation in furtherance of these activities shall be provided pursuant to a written request to the Park Director from the Foundation.

K. Cash Reserves: The Foundation agrees to endeavor to have available as of February 1 of each year during the term of this agreement, cash reserves sufficient to meet any deficit which may reasonably be expected to arise during the next following program season.

III. General

A. Definitions: The term "Director" as used in this agreement, shall include the Director, Regional Director, National Capital Region, Director, Wolf Trap Farm Park for the Performing Arts, or such other person as may be designated by the Director, after ten (10) days notice to the Foundation, who may act for the Director in exercising all of his authority under this agreement, including the authority to execute amendments and to give any notices and approvals provided for herein.

Whenever the term "Foundation" is used in this agreement, it shall be deemed to mean and include the Wolf Trap Foundation for the Performing Arts' duly authorized officers and employees.

The term "Center" as used herein refers to the amphitheatre structure within the Park known as the Filene Center and containing the stage, related theatrical areas and all public seating areas.

The term "third party occupants" as used herein includes all persons, groups, or organizations permitted by the Foundation to provide goods or services to the public for a fee within the Park or Center.

The term "concessioner" as used herein includes all third party occupants who conduct operations in the Park or Center involving the providing of goods or services to the public for a fee.

B. Term of Agreement: This Cooperative Agreement shall be in full force and effect through September 30, 1983, unless earlier terminated as herein provided.

C. Termination And Assignment of Agreement:

1. Termination for Default. It is agreed that in case of default on the part of the Foundation to observe the conditions of this Agreement, the Director may, after sixty (60) days notice to the Foundation of the default, declare this Agreement forfeited without any legal process whatever, provided that during such sixty-day period, such default is not cured or remedied by the Foundation, or if it is not practicable to cure or remedy such default within such sixty-day period, within such longer period as shall be reasonable under the circumstances, the Director may extend such 60-day period provided that the Foundation promptly undertakes and diligently continues to cure or remedy such default.

In the event of such termination for default on the part of the Foundation, funds held by the Foundation in the reserve to support the current year and the following booking season shall be applied against its contractual and other commitments in connection with performing arts programs in the Park.

It is agreed that in case of default on the part of the Director to observe the conditions of this agreement, or in the event appropriated government funds are not available for the proper functioning of the Park, the Foundation may, after sixty (60) days' notice to the Director of the default, declare this agreement forfeited without any legal process whatever, provided that during such sixty-day period such default is not cured or remedied by the Director, or if it is not practicable to cure or remedy such default within such sixty-day period, within such longer period as shall be reasonable under the circumstances, the Foundation may extend such 60-day period provided that the Director promptly undertakes and diligently continues to cure or remedy such default.

D. Termination for Convenience of the Government: The Director reserves the right to terminate this Agreement after ninety (90) days notice, whenever in his judgment such termination is required in the public interest. In the event of a termination under this paragraph, the Service shall be deemed to have breached this contract provided, however, in no event shall the United States be responsible for loss-of-profits occasioned by such termination. This is intended to preserve to the Foundation its legal right to seek reimbursement from the Service for any and all known damages for such breach except damages for any loss of profits occasioned by such termination.

E. Assignment of Agreement: It is agreed that this agreement is not assignable, however, it may be transferred to a corporation formed for the purposes of continuing and carrying out the purposes of this agreement and then only with the written approval of the Director.

F. Consultation Between The Foundation And The Service: The Foundation and the Director, through their representatives, shall maintain close liaison and consult regularly on all matters pertaining to the activities of the Center. Before taking any action which may result in closing the Center or delay, cancel or otherwise materially affect any performance, the Director shall consult with the Foundation unless such action is immediately necessary to protect public health or safety and such consultation is therefore impracticable.

G. Headings: The headings throughout this agreement are for convenience and reference only and the words contained herein shall in no way be held to explain, modify, amplify, or aid in interpretation, construction, or meaning of the provisions of this agreement.

H. Invalidity: If any provision of this agreement or its application to any person or in any circumstance shall be invalid or unenforceable, the other provisions of this agreement shall not be affected by such invalidity or unenforceability.

I. Non-Discrimination: The parties hereto will abide by the provisions of Executive Orders 11246 and 11375, which are attached hereto and made a part hereof, and will not discriminate in the selection of participants for any program on the grounds of race, creed, color, sex or national origin; and will observe all the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000 (d)).

J. National Park Service Appropriations: Nothing herein contained shall be construed as binding the Director to expend in any one fiscal year any sum in excess of appropriations made by Congress for the purpose of this agreement for that fiscal year, or to involve the Director in any contract or other obligation for the further expenditure of money in excess of such appropriations. Nor, shall anything herein be construed as denying the Foundation the authority to make expenditures for improvements or other purposes in furtherance of the objectives of this agreement, and if approved in writing by the Director, whenever Director is unwilling or unable to commit funds for such purposes.

K. Public Laws: Nothing herein contained shall be deemed to be inconsistent with or contrary to the purpose or intent of any Act of Congress establishing, affecting, or relating to the Wolf Trap Farm Park, including but not limited to Public Law 89-671.

L. Members of Congress: No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefits that may arise therefrom, but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 16th day of September, 1980.

UNITED STATES OF AMERICA
By Russell E. Dickenson
Director, National Park Service

WOLF TRAP FOUNDATION FOR THE
PERFORMING ARTS
By Edward B. Crosland
Chairman

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## Executive Order 11246
## Equal Employment Opportunity

Under and by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

### Part I—Nondiscrimination in Government Employment

**Section 101.** It is the policy of the Government of the United States to provide equal opportunity in Federal employment for all qualified persons, *to prohibit* discrimination in employment because of race, creed, color, or national origin, and to promote the full realization of equal employment opportunity through a positive, continuing program in each executive department and agency. The policy of equal opportunity applies to every aspect of Federal employment policy and practice.

**Sec. 102.** The head of each executive department and agency shall establish and maintain a positive program of equal employment opportunity for all civilian employees and applicants for employment within his jurisdiction in accordance with the policy set forth in Section 101.

**Sec. 103.** The Civil Service Commission shall supervise and provide leadership and guidance in the conduct of equal employment opportunity programs for the civilian employees of and applications for employment within the executive departments and agencies and shall review agency program accomplishments periodically. In order to facilitate the achievement of a *model program* for equal employment opportunity in the Federal service, the Commission may consult from time to time with such individuals, groups, or organizations as may be of assistance in improving the Federal program and realizing the objectives of this Part.

**Sec. 104.** The Civil Service Commission shall provide for the prompt, fair, and impartial consideration of all complaints of discrimination in Federal employment on the basis of race, creed, color, or national origin. Procedures for the consideration of complaints shall include at least one *impartial review* within the executive department or agency and shall provide for appeal to the Civil Service Commission.

**Sec. 105.** The Civil Service Commission shall issue such regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this Part, and the head of each executive department and agency shall comply with the regulations, orders, and instructions issued by the Commission under this Part.

Lyndon B. Johnson
The White House
September 24, 1965

## Executive Order 11375
### Amending Executive Order No. 11246, Relating to Equal Employment Opportunity

It is the policy of the United States Government to provide equal opportunity in Federal employment and in employment by Federal contractors on the basis of merit and without discrimination because of race, color, *religion, sex or national* origin.

The Congress, by enacting Title VII of the Civil Rights Act of 1964, enunciated a national policy of equal employment opportunity in private employment, without discrimination because of race, color, religion, sex or national origin.

Executive Order No. 11246 of September 24, 1965, carried forward a program of equal employment opportunity in Government employment, employment by Federal contractors and subcontractors and employment under Federally assisted construction contracts regardless of race, creed, color or national origin.

It is desirable that the equal employment opportunity programs provided for in Executive Order No. 11246 expressly embrace discrimination on account of sex.

Now, Therefore, by virtue of the authority vested in me as President of the United States by the Constitiution and statutes of the United States, it is ordered that Executive Order No. 11246 of September 24, 1965, be amended as follows:

(1) Section 101 of Part I, concerning nondiscrimination in Government employment, is revised to read as follows:

"Sec. 101. It is the policy of the Government of the United States to provide equal opportunity in Federal employment for all *qualified persons*, to prohibit discrimination in employment because of race, color, religion, sex or national origin, and to promote the full realization of equal employment opportunity through a positive, continuing program in each executive department and agency. The policy of equal opportunity applies to every aspect of Federal employment policy and practice."

(2) Section 104 of Part I is revised to read as follows:

"Sec. 104. The Civil Service Commission shall provide for the prompt, fair, and impartial consideration of all complaints of discrimination in Federal employment on the basis of race, color, religion, sex or national origin. Procedures for the consideration of complaints shall include at least one impartial review within the executive department or agency and shall provide for appeal to the Civil Service Commission."

• • • • • •

The amendments to Part I shall be effective 30 days after the date of this order. The amendments to Part II shall be effective one year after the date of this order.

Lyndon B. Johnson

The White House,
*October 13, 1967*

OCT 8 1982

## MEMORANDUM AUDIT REPORT

To: Associate Regional Director - Administration
National Capital Region

From: Regional Audit Manager

Subject: Audit of Cost Incurred By The Wolftrap Foundation
Under Grants From the National Park Service

In response to your June 24, 1982 request, we have audited the costs incurred by the Wolftrap Foundation (Foundation) under two grants awarded by the National Park Service (NPS) to support a portion of the general and administrative expenses of the Foundation. Our audit was completed in August 1982, and covered costs incurred from October 1, 1980, through July 31, 1982.

## PURPOSE AND SCOPE OF EXAMINATION

The purpose of our audit was to (1) determine the extent that grant costs incurred by the Foundation are eligible for Federal participation and (2) develop such other information as NPS may need to determine the amount of costs to be reimbursed.

Our examination was made in accordance with the Standards for Audits of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States, as they apply to financial and compliance examinations and, accordingly, included such tests of the accounting records and other data, and such other auditing procedures as we considered necessary in the circumstances. We also considered the applicable provisions of Office of Management and Budget (OMB) Ciruclars A-110 and A-122.

## OPINION

In our opinion, the Foundation has incurred sufficent eligible costs to earn the $175,000 awarded for the Grant that ended September 30, 1981 and the $168,000 awarded for the Grant that ended on September 30, 1982. Listings of the general and administrative costs incurred by the Foundation for the periods ending September 30, 1981 and July 31, 1982 are attached as Exhibits I and II, respectively.

## COMPLIANCE ISSUES

The Foundation has not submitted a final financial status report and a narrative project completion report as required by OMB Circular A-110 procedures for the Grant that ended September 30, 1981.

If you have any questions concerning this report, please contact Roger LaRouche on FTS 235-1506.

Leon Snead
Leon Snead

Exhibit I

## Summary of Foundation General and Adminsitrative Costs

## October 1, 1980, Through September 30, 1981

| Cost Category | Schedule 1 [a] | Schedule 2 [b] | Total |
|---|---|---|---|
| Personnel Costs | $268,673 | $471,640 | $740,313 |
| Travel | 1,431 | 11,535 | 12,966 |
| Telephone | 797 | 659 | 1,456 |
| Subscriptions | 969 | 1,243 | 2,212 |
| Supplies | 291 | 20,039 | 20,330 |
| Printing | 257 | 2,991 | 3,248 |
| Postage | 220 | 23,349 | 23,569 |
| Computer Services | 32,470 | | 32,470 |
| Rent & Utilities | 22,875 | 6,861 | 29,736 |
| Foundation Memberships | 2,703 | | 2,703 |
| Legal & Audit Fees | 24,600 | | 24,600 |
| Seminars & Conferences | | 1,485 | 1,485 |
| Equipment | | 24,893 | 24,893 |
| Miscellaneous Professional Services | | 2,783 | 2,783 |
| Total | $355,286 | $567,478 | $922,764 |

[a] Cost which are incurred at an even rate throughout the year.

[b] Cost which are incurred more heavily during the performing season.

Exhibit II

## Summary of Foundation General and Administrative Costs

## October 1, 1981 Through July 31, 1982

| Cost Category | Schedule 1 [a] | Schedule 2 [b] | Total |
|---|---|---|---|
| Personnel Costs | $277,562 | $351,958 | $629,520 |
| Travel | 4,331 | 6,854 | 11,185 |
| Equipment | 450 | 29,438 | 29,888 |
| Supplies | 826 | 4,004 | 4,830 |
| Telephone | 277 | 944 | 1,221 |
| Subscriptions | 630 | 1,203 | 1,833 |
| Printing | 1,497 | 3,005 | 4,502 |
| Postage | 220 | 32,437 | 32,657 |
| Computer Services | 35,570 | | 35,570 |
| Rent & Utilities | 13,623 | 11,470 | 25,093 |
| Legal and Audit Fees | 18,210 | | 18,210 |
| Seminars & Conferences | | 884 | 884 |
| Miscellaneous Professional Services | | 9,917 | 9,917 |
| Total | $353,196 | $452,114 | $805,310 |

[a] Costs which are incurred at an even rate throughout the year.

[b] Costs which are incurred more heavily during the performing season.

COPY AC-Orig

**OLICITATION, OFFER AND AWARD**

1. CERTIFIED FOR NATIONAL DEFENSE UNDER BDSA REG. 2 AND/OR DMS REG. 1 RATING

PAGE 1 OF

| CONTRACT (Proc. Inst. Ident.) NO. | 2. SOLICITATION NO. | 3. DATE ISSUED | 4. REQUISITION/PURCHASE REQUEST NO. |
|---|---|---|---|
| CX-3000-2-0042 | RFP-3-2-42<br>☐ ADVERTISED (IFB) ☒ NEGOTIATED (RFP) | 5/14/82 | WT-2-02 |

ISSUED BY CODE

Contracting Div., Rm. 140
National Capital Region
1100 Ohio Dr., SW
Washington, DC 20242

6. ADDRESS OFFER TO (If other than block 5)

MARK ENVELOPE:
WOTR Stagehand Services RFP-3-2-42

In advertised procurement "offer" and "offeror" shall be construed to mean "bid" and "bidder"

**SOLICITATION**

Sealed offers in original and 2 copies for furnishing the supplies or services in the Schedule will be received at the place specified in block 8, or if handcarried, in the depository located in Rm. 140, 1100 Ohio Dr., SW Washington, DC 20242 until 4:15 p.m. (Hour) local time 6/1/82 (Date)

If this is an advertised solicitation, offers will be publicly opened at that time.

*CAUTION — LATE OFFERS: See pars. 7 and 8 of Solicitation Instructions and Conditions.*

All offers are subject to the following:

1. The Solicitation Instructions and Conditions, SF 33-A, 1/78 edition which is attached or incorporated herein by reference.
2. The General Provisions, SF 32, 4/75 edition, which is [redacted] incorporated herein by reference.
3. The Schedule included herein and/or attached hereto.
4. Such other provisions, representations, certifications, and specifications as are attached or incorporated herein by reference. *(Attachments are listed in schedule.)*

FOR INFORMATION CALL (Name & telephone no.) (No collect calls) ▶ Joan Swanson (202) 426-6749

**SCHEDULE**

| ITEM NO. | 11. SUPPLIES/SERVICES | 12. QUANTITY | 13. UNIT | 14. UNIT PRICE | 15. AMOUNT |
|---|---|---|---|---|---|
| | THEATRICAL LABOR<br>Provide stagehand services as requested, for Wolf Trap Farm Park during the period October 1, 1981 through September 30, 1982 in accordance with attached documents. | | | | $432,000 |

**OFFER** *(pages 2 and 3 must also be fully completed by offeror)*

In compliance with the above, the undersigned agrees, if this offer is accepted within ______ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

DISCOUNT FOR PROMPT PAYMENT (See par. 9, SF 33-A)

___ % 10 CALENDAR DAYS ___ % 20 CALENDAR DAYS ___ % 30 CALENDAR DAYS ___ % ___ CALENDAR DAYS

BIDDER MUST COMPLETE:
DUNS Number
(Dun & Bradstreet Contractor Establishment Number)

PRINCIPAL PLACE OF PERFORMANCE:

7. OFFEROR CODE FACILITY CODE

NAME AND ADDRESS (Street, city, county, State and ZIP code)

Wolf Trap Foundation
1624 Trap Rd.
Vienna, VA 22180

AREA CODE AND TELEPHONE NO. ▶

☐ Check if remittance address is different from above — enter such address in Schedule.

18. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)

Carol V. Harford
President

19. SIGNATURE Carol V. Harford

20. OFFER DATE June 3,

**AWARD** *(To be completed by Government)*

ACCEPTED AS TO ITEMS NUMBERED

22. AMOUNT $432,000

23. ACCOUNTING AND APPROPRIATION DATA 3801-105

24. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK ______

25. NEGOTIATED PURSUANT TO
☐ 10 U.S.C. 2304(a)( )
☒ 41 U.S.C. 252(c)( 10 )

26. ADMINISTERED BY (If other than block 7) CODE

27. PAYMENT WILL BE MADE BY CODE

Contracting Division, Rm. 140
National Capital Region
1100 Ohio Dr., SW
Washington, DC 20242

28. NAME OF CONTRACTING OFFICER (Type or print)

[illegible]

29. UNITED STATES OF AMERICA

BY

30. AWARD DATE 6/11/82

1. The contractor shall provide all stagehand services required in the production of performances at Wolf Trap Farm Park, Vienna, Virginia, for the 1982 performing season. Stagehand services shall conform to recognized and accepted standards and procedures of professional theatrical productions. Crews shall be augmented, as needed, relative to the demands of each production.

2. Stagehand services shall include the setting up, operating, and taking down of all theatrical productions at Wolf Trap Farm Park, including pre-season stage preparation and post-season winterizing and clean-up. This work also includes among other things the assembling and movement of scenery; the connecting powering, and focusing of all theatrical lighting; and the placement of all theatrical properties. The equipment of Wolf Trap Farm Park which pertains to theatrical productions shall also be installed, maintained, and repaired. The stagehand services shall include a wide variety of special crafts such as carpentry, theatrical electrical equipment use, painting , metal working, and sound equipment placement and operation.

3. All scheduling in terms of hours worked and numbers of personnel needed will be determined by the Contracting Officer. Adjustments to scheduling will be made on a daily basis.

4. Stagehands shall fill out daily time cards indicating the hours worked, the rate paid, and the attraction to which the work is being charged. Time cards will be checked by the Contracting Officer against the master schedule and signed off by the responsible stagehand supervisor and co-signed by the Union Steward. The daily timekeeping records shall be used by the Contracting Officer to develop a weekly payroll sheet and will reflect all percentages for pension, welfare, vacations, annuity, FICA, and unemployment.

5. All work under this contract shall be performed in a skillful and workmanlike manner.

6. All stagehand costs incurred by activities other than Contracting Officer approved activities shall be the responsibility of the Contractor.

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

## REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT

By direction of the Secretary of Labor

W. M. Otter
W. M. Otter
Administrator

| | | |
|---|---|---|
| LOCALITY | State: Virginia | VA |
| | Area: Fairfax County | 059 |

Wage determination number: 81-16 (Rev.-1)    Date: 16 APR 1982

| Class of service employee | Minimum hourly wage | Fringe benefit payments | | | |
|---|---|---|---|---|---|
| | | Health & Welfare | Vacation | Holiday | Other |
| Employed on National Park Service Contracts for technical personnel required for stage production and related services at the Filene Center, Wolf Trap Farm Park: | | | | | |
| 1. Heads of Departments | $15.65 | | | | |
| 2. Assistant Heads of Departments | 14.50 | | | | |
| 3. Key Men | 14.10 | | | | |
| 4. All Others | 13.40 | | | | |
| Fringe benefits applicable to classes (1 through 4) of service employees engaged in contract performance: | | 1/ | 2/ | 3/ | 4/5/ |
| Classifications employed on the National Park Service Contract not referenced by the above mentioned collective bargaining agreement: | | | | | |
| 5. Actor/Actress | 6/ | | | | |

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

W. M. Otter
W. M. ...ter
Administrator

| | | |
|---|---|---|
| LOCALITY | State: Virginia | VA |
| | Area: Fairfax County | 059 |

Wage determination number: 81-16 (Rev.-1)　Date: 16 APR 1982

| Class of service employee | Minimum hourly wage | Fringe benefit payments | | | |
|---|---|---|---|---|---|
| | | Health & Welfare | Vacation | Holiday | Other |

1/ 8 percent of gross earnings per employee.

2/ 5½ percent of base pay per employee.

3/ Paid Holidays: New Year's Day, George Washington's Birthday, Memorial Day, Labor Day, Independence Day, Columbus Day, Veterans' Day, Thanksgiving Day, Christmas Day or any time the President of the United States declares a holiday this shall be accepted as a holiday for personnel working, except days of mourning unless on such an occasion all normal commerce ceases. If any of these holidays fall on a Sunday, the following Monday will be observed as the holiday. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved).

4/ Pension: 6 percent of gross earnings per employee.

5/ Annuity Fund: 2 percent of gross earnings per employee.

6/ Bona fide Executive, Administrative, and Professional employees as defined in Regulations, 29 CFR Part 541 are not "service employees" under the Act. Actors/Actresses who are compensated on a salary or fee basis at a rate of not less than $170 per week exclusive of board, lodging or other facilities may qualify for exemption as a professional employee employed provided the pertinent tests relating to duties and responsibilities discussed in section 541.3 of the Regulations are also met. An actor/actress who does not meet the qualifications for exemption must be paid no less than $4.24 per hour.

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

W. M. Otter

W. M. Otter Administrator

| | | | |
|---|---|---|---|
| LOCALITY | State: | Virginia | VA |
| | Area: | Fairfax County | 059 |

Wage determination number: 81-16(Rev.-1)   Date: 16 APR 1982

| Class of service employee | Minimum hourly wage | Fringe benefit payments | | | |
|---|---|---|---|---|---|
| | | Health & Welfare | Vacation | Holiday | Other |

NOTE: In accordance with Section 4(c) of the Service Contract Act, as amended, the wage rates and fringe benefits set forth in this wage determination are based on a collective bargaining agreement(s) under which the incumbent contractor is operating. The wage determination sets forth the wage rates and fringe benefits provided by the collective bargaining agreement and applicable to performance on the service ocntract. However, failure to include any job classification, wage rate or fringe benefit encompassed in the collective bargaining agreement does not relieve the successor contractor of the statutory requirement to comply as a minimum with the terms of the collective bargaining agreement insofar as wages and fringe benefits are concerned.

NOTE: The collective bargaining agreement wage rates and fringe benefits expire April 30,1982 and negotiations for a new agreement are in process. In accordance with sections 2(a) and 4(c) of the Service Contract Act, any timely negotiated collective bargaining agreement may affect the wage rates and fringe benefits, for classes 1 through 4 set forth in this wage determination.

NOTE: Any class of service employee not represented by the above mentioned collective bargaining agreement required in the performance of the contract but not listed above shall be classified by the contractor so as to provide a reasonable relationship between such classes as those listed above, and shall be paid such monetary wages as are determined by agreement (evidenced in writing) of the interested parties, who shall be deemed to be the contracting agency, the contractor, and the employees who will perform on the contract or their representatives. In the absence of an agreement, the question of proper conformable wage rates is to be submitted to the Department of Labor by the contracting officer for a final determination. (See Section 4.6(b) of Regulations 29 CFR 4).

COPY

**SOLICITATION, OFFER AND AWARD**

RATING

PAGE 1

1. CONTRACT NO. CX-3000-2-0039

2. SOLICITATION NO. RFP 3-2-39

☐ ADVERTISED (IFB) ☒ NEGOTIATED (RFP)

3. DATE ISSUED

7. ISSUED BY — CODE

Contracting Division
National Capital Region, 1100 Ohio Dr., SW, Rm.140
Washington, DC 20242

8. ADDRESS OFFER TO

MARK ENVELOPE: Capitol Concerts
RFP-3-2-39
DUE: 4:00 pm, 5/18/82

## SOLICITATION

9. Sealed offers in original and 1 copies for furnishing the supplies or services in the Schedule will be received at the place specified in block 8, or if handcarried, in the depository located in Rm.140, 1100 Ohio Dr., SW Washington, DC 20242 until 4:00 p.m. (Hour) local time 5/18/82 (Date)

CAUTION — LATE OFFERS: See pars. 7 and 8 of Solicitation Instructions and Conditions.

All offers are subject to the following:

1. The Solicitation Instructions and Conditions, SF 33-A, 1/78 edition which is attached or incorporated herein by reference.
2. The General Provisions, SF 32, 4/75 edition, which is [redacted] incorporated herein by reference.
3. The Schedule included herein and/or attached hereto.
4. Such other provisions, representations, certifications, and specifications as are attached or incorporated herein by reference.

FOR INFORMATION CALL (Name & telephone no.) (No collect calls) ▶ Phyllis Clay 202/426-6780

## SCHEDULE

| ITEM NO. | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---|---|---|---|---|---|
| | U.S. CAPITOL CONCERTS<br>In accordance with attachment, and proposal dated 5/24/82, which is incorporated herein by reference. | Firm Fixed-Price | | | $285,000 |

## OFFER (pages 2 and 3 must also be fully completed by offeror)

17. OFFEROR — CODE — FACILITY CODE

NAME AND ADDRESS

National Symphony Orchestra Association
Kennedy Center for the Performing Arts
Washington, DC 20566

AREA CODE AND TELEPHONE NO.

18. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER

John A. Berg
Director of Finance

19. SIGNATURE John Berg

20. OFFER DATE 5/24/82

## AWARD (To be completed by Government)

21. ACCEPTED AS TO ITEMS NUMBERED

22. AMOUNT FFP $285,000

23. ACCOUNTING AND APPROPRIATION DATA 3160-0002-140

24. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 24

25. NEGOTIATED PURSUANT TO

26. ADMINISTERED BY — CODE

27. PAYMENT WILL BE MADE BY — CODE

National Capital Region
1100 Ohio Dr., SW
Washington, DC 20242

28. NAME OF CONTRACTING OFFICER (Type or print) Ralph R. Ross

29. UNITED STATES OF AMERICA

BY (Signature of contracting officer)

30. AWARD DATE

Standard Form 33 Page 1

ARTICLE I - SCOPE:

A. The Contractor shall provide one non-holiday and three national holiday symphony performances including twelve rehearsals, during spring and summer 1982, entitled "An American Festival," concerts at the Capitol, Washington, D.C. Entertainment shall be of the highest professional quality and appropriate to each national holiday or seasonal date. This shall be responsive to the creative objectives and interpretive scope of this contract.

B. Program content which is subject to review and approval will commemorate the individual seasonal and holiday dates musically with appropriate American and non-American musical compositions; however, preference should be given to American musical works.

C. Each program shall be of approximately two hours duration, commencing at 8:00 p.m. and having a 15 - 20 minute intermission with program introduction narration appropriate to the nightly theme and guest artist.

D. All publicity and promotional material shall be provided by the Contractor.

ARTICLE II - PAYMENT

A. Payment will be made upon completion of performances in accordance with Clause 7 of the Genral Provisions.

Due on or About

June 1 ----------------------------------

June 20 ---------------------------------

July 5 ----------------------------------

September 7 -----------------------------

ARTICLE III - GOVERNMENT'S RESPONSIBILITY

A. The Government will be responsible for providing the following support facilities and personnel:

1. Portable toilets.
2. Four 12-foot light trees, with necessary dimmer packs, cables and scoops for evenly lighting the stage.
3. Two generators (40KW and 75KW) plus electricians, under NPS supervision, to set up and monitor equipment for rehearsals and events.

4. Staging (40 x 60) with back drops and ramps.
5. Twenty ushers (park technicians) under NPS supervision.

B. All Government furnished property shall remain the possession of the Government, in accordance with the clause entitled Government Property, 41 CFR 1-7.303-7 (c), which is incorporated by reference.

## NATIONAL SYMPHONY ORCHESTRA SCHEDULE '82

(Revised)

| | | |
|---|---|---|
| Set-up begins | May 26 | |
| Rehearsal | May 29 | 10:00 a.m. |
| Concert | May 30 | |
| Raindate-takedown | May 31 | |
| Takedown if needed | June 1 | |

| | |
|---|---|
| Set-up begins | June 15 |
| Rehearsal | June 18 |
| Concert | June 19 |
| Raindate-takedown | June 20 |
| Takedown if needed | June 21 |

| | |
|---|---|
| Set-up begins | June 30 |
| Rehearsal | July 3 |
| Concert | July 4 |
| Raindate-takedown | July 5 |
| Takedown if needed | July 6 |

| | |
|---|---|
| Set-up begins | September 2 |
| Reheasal | September 5 |
| Concert | September 6 |
| Raindate-takedown | September 7 |
| Takedown if needed | September 8 |

## Interpretation and Visitor Services

Question: For the increases numbered 1, 2, 3, and 4 on pages 33, 34, and 35 provide the FY 1984 base amount for interpretation for the parks identified.

Answer: The table below shows the base program amounts for the parks listed on the referenced pages:

| Interpretation and Visitor Services | Base Funding by Park |
|---|---|
| Adams National Historic Site | $ 81,800 |
| Acadia National Park | 152,800 |
| Agate Fossil Beds National Monument | 14,200 |
| Appomattox Court House National Historical Park | 110,500 |
| Assateague Island National Seashore | 144,900 |
| Badlands National Park | 125,000 |
| Bent's Old Fort National Historic Site | 123,700 |
| Big Bend National Park | 132,500 |
| Biscayne National Park | 100,400 |
| Bryce Canyon National Park | 145,100 |
| Cabrillo National Monument | 80,100 |
| Canaveral National Seashore | 78,300 |
| Carlsbad Caverns National Park | 503,400 |
| Cape Hatteras National Seashore | 528,800 |
| Chaco Culture National Historical Park | 32,200 |
| Chickasaw National Recreation Area | 161,300 |
| Coulee Dam National Recreation Area | 62,600 |
| Crater Lake National Park | 190,000 |
| Craters of the Moon National Monument | 54,200 |
| Cumberland Island National Seashore | 111,400 |
| Curecanti National Recreation Area | 117,900 |
| Death Valley National Monument | 312,000 |
| Delaware Water Gap National Recreation Area | 202,400 |
| Denali National Park and Preserve | 304,000 |
| Dinosaur National Monument | 193,100 |
| Federal Hall National Memorial | 77,600 |
| Fort Clatsop National Memorial | 90,700 |
| Fort Davis National Historic Site | 76,800 |
| Fort Jefferson National Monument | 1,000 |
| Fort Laramie National Historic Site | 117,100 |
| Fort Scott National Historic Site | 83,000 |
| Fort Smith National Historic Site | 49,300 |
| Fort Stanwix National Monument | 130,300 |
| Fort Union Trading Post National Historic Site | 36,200 |
| Fort Vancouver National Historic Site | 120,300 |
| Fossil Butte National Monument | — |
| Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park | 225,100 |
| George Washington Memorial Parkway | 333,900 |
| Glen Canyon National Recreation Area | 140,100 |
| Golden Spike National Historic Site | 78,000 |
| Grand Portage National Monument | 80,200 |
| Grand Teton National Park | 472,100 |
| Great Sand Dunes National Monument | 71,600 |
| Hot Springs National Park | 104,700 |
| Hubbell Trading Post National Historic Site | 62,600 |
| John Day Fossil Beds National Monument | 74,900 |
| Kenai Fjords National Park | 36,600 |
| Lincoln Boyhood National Memorial | 117,300 |
| Mammoth Cave National Park | 843,000 |
| Mesa Verde National Park | 308,700 |
| Minute Man National Historical Park | 189,300 |
| Montezuma Castle National Monument | 153,800 |
| Mount Rainier National Park | 327,700 |
| Mount Rushmore National Memorial | 121,300 |
| National Capital Parks-Central | — |
| North Cascades National Park | 188,000 |
| Olympic National Park | 295,200 |
| Oregon Caves National Monument | 33,100 |
| Perry's Victory and International Peace Memorial | 40,200 |
| Petrified Forest National Park | 291,000 |
| Petersburg National Battlefield | 146,300 |

| | |
|---|---|
| Pictured Rocks National Lakeshore | 42,700 |
| Pipestone National Monument | 71,700 |
| Prince William Forest Park | 72,800 |
| Rocky Mountain National Park | 511,100 |
| Saint Croix National Scenic Riverway | 70,700 |
| Salem Maritime National Historic Site | 84,000 |
| San Juan Island National Historical Park | 62,100 |
| Shenandoah National Park | 583,100 |
| Sitka National Historical Park | 182,000 |
| Sleeping Bear Dunes National Lakeshore | 156,400 |
| Sunset Crater National Monument | 39,800 |
| Theodore Roosevelt National Park | 157,800 |
| Timpanogos Cave National Monument | 104,500 |
| Voyageurs National Park | 170,000 |
| Whitman Mission National Historic Site | 68,400 |
| Wind Cave National Park | 172,100 |
| Wupatki National Monument | 46,400 |
| Yellowstone National Park | 877,900 |
| Yosemite National Park | 1,048,500 |
| Zion National Park | 212,900 |
| Total | 14,314,500 |

### Personnel

Question: On page 37 you have used a lapse rate of 48%. Why?

Answer: The additional positions requested for interpretation and visitor services are for both full-time positions and seasonal employees who work less than a full staff year. In order to convert the number of additional positions to the corresponding number of work-years for which funding is requested an average lapse rate of 48 percent was used. Their average is based on the estimated period of employment of 4-6 months for seasonal employees, 11 months for career seasonals, and 12 months for full-time permament employees.

### In-Park Transportation Systems

Question: For the in-park transportation systems listed on page 31, can you categorize the 16 parks in terms of the three criteria described (1-improve safety by reducing traffic; 2-reduce impact on park resources; 3-save money on road improvements) and add 4-a combination of the above. Will Denali need road improvements and/or parking improvements? Why are the 4 parks listed on page 37 considered as unlikely candidates for concessioner operated system?

Answer: The following 16 parks are categorized as follows:

| Park | Category |
|---|---|
| Cape Cod National Seashore | 2, 3 |
| Carl Sandburg Home National Historic Site | VTS discontinued |
| Cumberland Island National Seashore | 2 |
| Denali National Park and Preserve | 4 |
| Dinosaur National Monument | 4 |
| Everglades National Park | 4 |
| Fort Matanzas National Monument | 2 |
| Grand Canyon National Park | 4 |
| Kennesaw Mountain National Battlefield Park | 1, 2 |
| Lyndon B. Johnson National Historical Park | 1 |
| Mesa Verde National Park | 4 |
| North Cascades National Park | 1, 2 |
| Point Reyes National Seashore | 1, 2 |
| Redwood National Park | 2 |
| Rocky Mountain National Park | 4 |
| Yosemite National Park | 4 |

Denali has an ongoing road improvement program. In 1982 $500,000 was added to the park's base for road improvement. If a fee collection system is instituted for the visitor transportation system, an expansion and improvement of the present parking system will be needed to accommodate collection. An information center and bus station will need to be constructed. It is essential that visitors to the park receive information about the backcounty-particularly the high incident of camper-bear problems. The parking area is also inadequate and will need to be enlarged.

Both the Point Reyes and Redwood visitor transportation systems have such low ridership that they do not present as viable economic opportunities for a concessioner. The Fort Matanzas operation is also not viewed as a viable economic opportunity and discussions with potential concessioners have not been fruitful. The Lyndon B. Johnson Ranch continues to be Mrs. Johnson's home. She allows visitors to tour the ranch providing they come by bus. Mrs. Johnson has further requested that no fee be charged. Additionally, the State park is adjacent to the Historic Site. Visitors board the bus in the State park where no fees are charged.

The Service is examining the feasibility of establishing a user fee for the Point Reyes, Redwood, and Fort Matanzas systems to partially offset operating expenses. In the case of Lyndon B. Johnson National Historical Park, the park is still exploring the possibility of concessioner operation as well as the potential for implementing a user fee. No final decision has been made for any of these systems.

## Visitor Protection and Safety

Question: For the parks listed on pages 41-47, provide comparable base funding levels in fiscal 1984 for visitor protection and safety programs.

Answer: The following table shows the base program amounts for the parks listed on the referenced pages:

| Visitor Protection and Safety | Base Funding by Park |
|---|---|
| Acadia National Park | $ 196,500 |
| Adams National Historic Site | 5,000 |
| Amistad National Recreation Area | 49,000 |
| Apostle Islands National Lakeshore | 120,600 |
| Big Thicket National Preserve | 200,900 |
| Biscayne National Park | 149,000 |
| Buffalo National River | 230,400 |
| Canyon de Chelly National Monument | 78,100 |
| Cape Hatteras National Seashore | 484,300 |
| Chesapeake and Ohio Canal National Historical Park | 256,800 |
| Chickamauga and Chattanooga National Military Park | 139,500 |
| Coulee Dam National Recreation Area | 318,500 |
| Delaware Water Gap National Recreation Area | 414,400 |
| Denali National Park and Preserve | 280,000 |
| Federal Hall National Memorial | 36,300 |
| Fort Jefferson National Monument | 46,000 |
| Fort Vancouver National Historic Site | 18,900 |
| Golden Gate National Rrcreation Area | 868,400 |
| Grand Canyon National Park | 1,584,800 |
| Grand Portage National Monument | 37,500 |
| Grand Teton National Park | 615,500 |
| Gulf Islands National Seashore | 495,500 |
| Harpers Ferry National Historical Park | 185,100 |
| Hawaii Volcanoes National Park | 305,800 |
| Herbert Hoover National Historic Site | 105,500 |
| Hovenweep National Monument | 16,600 |
| Hopewell Village National Historic Site | 22,800 |
| Independence National Historical Park | 543,200 |
| Joshua Tree National Monument | 267,900 |
| Kenai Fjords National Park | 15,100 |
| Lake Meredith Recreation Area | 146,900 |
| Lassen Volcanic National Park | 295,500 |
| Lincoln Boyhood National Memorial | — |
| Lowell National Historical Park | 110,200 |
| Manassas National Battlefield Park | 77,500 |
| National Capital Parks-East (includes Piscataway Park) | 593,200 |
| North Cascades National Park | 247,100 |
| Olympic National Park | 776,900 |
| Oregon Caves National Monument | 6,800 |
| Saguaro National Monument | — |
| Saint Croix National Scenic Riverway | 216,700 |
| Sequoia National Park | 919,400 |
| Shenandoah National Park | 447,900 |

| | |
|---|---|
| Sleeping Bear Dunes National Lakeshore | 259,600 |
| Whiskeytown-Shasta-Trinity National Recreation Area | 242,600 |
| Yosemite National Park | 1,809,600 |
| Total | 14,237,800 |

### Piscataway Park

Question: Regarding the Piscataway Park ATV (page 45), how many ATV's are in the NCR? Why can't one of those be used? Where is the park headquarters for Piscataway Park located? Where would the ATV be kept? Explain how it would be used.

Answer: There are currently eight all-terrain, four-wheel-drive vehicles (ATV's) in the National Capital Region. Due to the daily use required at Piscataway Park, it is not feasible to borrow an ATV from another park area, which requires frequent use of an ATV itself. National Capital Parks-East headquarters is located in Anacostia Park in Southeast Washington, D.C., which is approximately 20 miles from Piscataway Park. The ATV will be kept at the Fort Washington Park maintenance facility, which is approximately 10 miles from Piscataway Park. The ATV will be used for daily resource management/scenic easement monitoring including tasks such as water quality sampling and wildlife counts. The park areas that are monitored are isolated and have limited road access with difficult terrain.

### Recreation Programs

Question: Your justification (page 94) has a decrease proposed for recreation programs of $1,209,000. Provide a distribution of this reduction by base program component as detailed on pages 92-94.

Answer: A comparison of the fiscal 1984 base and fiscal 1984 estimate by base program component is shown below:

Recreation Programs
Distribution of Funding
($ in Thousands)

| Program Component | 1984 Base Funds | 1984 Base FTE | 1984 Estimate Funds | 1984 Estimate FTE | Decrease Funds | Decrease FTE |
|---|---|---|---|---|---|---|
| Park and Recreation Technical Assistance | 808,600 | 23.0 | 94,000 | 2.0 | -714,600 | -21.0 |
| Nationwide Recreation Data and Policy Analysis | 155,800 | 3.0 | 47,000 | 1.0 | -108,800 | -2.0 |
| Surplus Federal Real Property | 353,300 | 9.0 | 71,000 | 2.0 | -282,300 | -7.0 |
| Cooperation Management with the Military | 98,300 | 3.0 | --- | --- | -98,300 | -3.0 |
| Federal Recreation Fee Program | 25,000 | --- | 20,000 | --- | -5,000 | --- |
| Total, Recreation Programs | 1,441,000 | 38.0 | 232,000 | 5.0 | -1,209,000 | -33.0 |

### Rivers and Trails Program

Question: On page 101, you are proposing a reduction of $923,000 (-54%) for the rivers and trails program. What will be continued in FY 84? Will the Service be able to respond to requests from states for reviews of rivers to be added to the National system? What capabilities will be lost to park superintendents if your proposed reduction is agreed to?

Answer: Work which will be accomplished through the Rivers and Trails program in fiscal 1984 includes completion of authorized wild and scenic river studies (unless Congress authorizes additional trail studies in fiscal 1983 which seems likely at this point) and a minimal level of technical river conservation services nationwide to State and local governments using the Washington Office staff only. Given this level of funding it would be difficult to respond to requests from States for rivers to be added to the National System under section 2(a)(ii) of the Wild and Scenic Rivers Act. No unit of the National Park System would be affected by the budget item. Funds appropriated under this account have always gone only to the Washington Office, the Regional Offices and the Denver Service Center.

### Visitor Transportation Systems

Question: For the following parks, specify and justify proposed reductions:

| Park | Reduction |
|---|---|
| Cape Cod | 41,000 |
| Carl Sandburg | 3,000 |
| Denali | 1,365,300 |
| Everglades | 7,000 |
| Fort Matanzas | 31,100 |
| Grand Canyon | 617,700 |
| Kennesaw Mountain | 32,100 |
| Lyndon B. Johnson | 367,000 |
| Mesa Verde | 126,100 |
| Point Reyes | 25,500 |
| Yosemite | 699,600 |

Answer: The reductions in these areas relate to the elimination of the funding for the in-park visitor transportation systems. In the case of five of the parks, Denali National Park and Preserve, Grand Canyon National Park, Mesa Verde National Park, Point Reyes National Park, and Yosemite National Park, the reduction for the transportation system is partially offset by park operating increases for other activities.

### Cultural Resource Management

Question: On page 104, you describe the Service's role in standards and cultural resource management planning, especially as it relates to other agencies' programs, and on page 109 you request an increase of $420,000 (or an increase of 100%) for FY 1984. What will the NPS do, for, say, the Forest Service's programs?

Answer: Performance standards and guidelines, as authorized by Sections 101 (f)(g) and (h) and Section 110 of the National Historic Preservation Act, represent appropriate professional methods and techniques for the preservation of archeological and historic properties under control of Federal agencies. The standards and guidelines have been developed by the National Park Service on behalf of the Secretary of the Interior.

These standards and guidelines will be used by the Forest Service and other Federal agencies to measure the effectiveness of planning for identification, evaluation, registration and treatment of all types of cultural resources under their jurisdiction or control. The NPS has developed a single framework for comprehensive preservation planning which integrates Federal agency and state concerns. This improved system will enable Federal agencies to fulfill their preservation responsibilities in a timely and consistent manner.

Question: What expertise does NPS have that others do not have?

Answer: The NPS has long administered programs involving archeology and historic preservation, based on delegation of authority by the Secretary of the Interior. Since passage of the National Historic Preservation Act in 1966, staff expertise has been developed with its primary mission focused on all aspects of historic preservation. This level of experience and expertise in historic preservation is unique to the Federal government.

Question: Has the NPS provided any of this advice in prior years? If so, how much and to whom?

Answer: Guidance and information on archeology and historic preservation have been provided to States and Federal agencies on a formal basis since passage of the National Historic Preservation Act in 1966. Since 1978 the NPS has developed, field tested, and refined the concepts in preservation planning. Advice and guidance on implementing these concepts has been provided in the form of a manual, workshops, contractual agreements for preparation of case studies in 10 states, and implementation of the process in 21 states and in the Louisville District, Army Corps of Engineers.

Question: How much technical training has been provided to States in the past 3 years?

Answer: The NPS has conducted 3 workshops on preservation planning over the past 3 years.

Question: Will the Advisory Council on Historic Preservation have a role in this increased program?

Answer: As required by the National Historic Preservation Act, the NPS will consult with the Council on Section 110 guidelines for Federal agencies as specified in Section 101 (f).

## GRANTS ADMINISTRATION

Question: On page 114, you propose a reduction of $506,000 (-60%) from FY 1983 funding levels for Grants Administration. Please provide a table showing number of active grants by type of program over the past 5 years, with a start of year balance, new additions, completions, and an end of year balance, so that we can determine the accuracy of your projection. As best as can be determined from your justifications, you propose to administer 657 active grants totalling over $75 million with 34 FTE in FY 1984, or about 20 grants per FTE. What is the actual grant per FTE ratio for the last five years?

Answer: Provided below are two tables, one for the Urban Park and Recreation Fund (UPARR) and one for the Historic Preservation Fund (HPF), which contain the data requested.

ACTIVE UPARR GRANTS BY FISCAL YEAR

| | Active-Start of FY | New Grants Started in FY | Grants Completed in FY ** | Active-End of FY | Active-End of FY Grant $ (M) | FTEs for Admin. |
|---|---|---|---|---|---|---|
| FY 79* | 0 | 44 | 0 | 44 | $ 19.2 | 30 |
| FY 80 | 44 | 479 | 2 | 521 | $119.7 | 53 |
| FY 81 | 521 | 140 | 31 | 630 | $102.8 | 51 |
| FY 82 | 630 | 91 | 103 | 618 | $ 79.2 | 37 |
| FY 83 | 618 | 72(est.) | 200(est.) | 490*** | $ 46.2 | 22 |
| FY 84(est.) | 490 | — | N/A | N/A | $ 16.2 | 10 |

* Program authorized in November, 1978; first grants appropriation available in August, 1979. First grants awarded in September 1979.

** Some grants involve multiple project sites. Compliance responsibilities for maintenance of recreation opportunities at assisted facilities (section 1010 of P.L. 95-625, 16USC2509) continue even after projects are completed. In workload terms, this will require monitoring of about 725 project sites on a periodic basis (or 240 sites per year over a three-year cycle). This and other compliance aspects of the UPARR program require more Federal work effort than the HPF or L&WCF programs. Because there are no State administrators (SHPOs or SLOs) for UPARR, compliance monitoring must be performed entirely by Federal employees.

*** Note: FY 84 grants total (200) shown in the Justification appears to be a typographical error.

Active UPARR grants per administrative FTE:
FY 79—not applicable in start-up phase; FY 80—9.8 grants/FTE; FY81—12.3 grants/FTE; FY 82—16.7 grants/FTE; FY 83—22.3 grants/FTE; FY 84—49 grants/FTE. Active grant/FTE ratios are not the only workload measures; number of completed projects requiring periodic monitoring will increase as grants are closed out; see note above.

ACTIVE HPF PROJECTS* BY FISCAL YEAR

| | Active-Start of FY | Projects Started in FY | Projects Completed in FY ** | Active-End of FY | Active-End of FY grant $ (M)*** | FTEs for Admin. |
|---|---|---|---|---|---|---|
| FY 79 | 3,274 | 3,268 | 1,989 | 4,553 | $ 63.8 | 43 |
| FY 80 | 4,553 | 2,339 | 3,662 | 3,230 | $108.9 | 48 |
| FY 81 | 3,230 | 1,398 | 2,022 | 2,606 | $ 42.1 | 49 |
| FY 82 | 2,606 | 700 | 1,756 | 1,550 | $ 27.6 | 32 |
| FY 83(est.) | 1,550 | 600 | 1,150 | 1,000 | $ 29.4 | 24 |
| FY 84(est.) | 1,000 | --- | N/A | N/A | $ 15.4 | 24 |

* These project numbers include State-awarded Survey & Planning subgrants. The grants total noted on page 114 of the Justification (457) indicates the number of overall grants to the States only.

** Note: Compliance responsibilities concerning monitoring of covenants extend up to 20 years beyond grant completion. In terms of workload, this will require monitoring of more than 6,300 projects (completed since 1972), including site inspections on a periodic basis.

*** Unexpended end-of-fiscal-year balance of grant funds available for obligation.

Active HPF projects per administrative FTE:
FY 79--106 projects/FTE; FY 80--67 projects/FTE; FY 81--53 projects/FTE; FY 82--48 projects/FTE; FY 83--48 projects/FTE; FY 84--42 projects/FTE. Active project/FTE ratios are not the only workload measures; as indicated in above note, the number of completed projects requiring periodic monitoring will increase as grants are closed out.

Note on both tables: While numbers of active projects and unexpended grant balances are key indicators for both programs, direct workload comparisons between UPARR and HPF should be avoided because of differences in the types of grants in each program and in the ways that each program is administered, in accordance with their distinct legislative mandates.

Alaska Parks--General Management Plans

Question: Of the 15 Alaska Parks, you have not scheduled GMP's for five. Why not? When will they be scheduled? What would the FY 1984 cost be to start all five? Aren't they due for completion by December 2, 1985?

Answer: Firstly, there is the need to fold planning for Alaska in with planning needs of over 300 other units of the National Park System, and secondly, the decision was made to phase the planning starts over a 3-year period in order to best utilize the planning staff familiar with the planning issues unique to Alaska. The top six plans for our 1983 planning projects are in Alaska. The remaining five will be funded in fiscal 1984, and we expect to complete them in 1985 as required by law. The exact costs have not yet been developed for these five parks, but the range should be somewhere between $350,000 and $500,000 in fiscal 1984 with any needed remainder being provided in 1985.

Employment Compensation Fund

Question: Provide a detailed explanation of the Employee Compensation Fund, including an analysis of how many personnel are paid, how long they are paid, what the limits are, what the average (and high and low) payment was during FY 80 - 82, etc.

Answer: The National Park Service does not have access to the kinds of information requested. The bill the Department received from the Department of Labor included the following statistics for the National Park Service:

| Period | Number Of Cases | Number Of Payments | Total Payments |
|---|---|---|---|
| 7/1/80-6/30/81 | 1,953 | 7,420 | $3,054,565 |
| 7/1/81-6/30/82 | 1,941 | 7,754 | $3,423,170 |

The dollar figures are adjusted by the Department to distribute undistributed costs identified by the Department of Labor and for prior year adjustments before a final figure is given to the National Park Service for inclusion in our budget request.

FTE's--Washington Office

Question: For the 160 FTE in the Washington Office c: Executive Direction, provide a GS/ES breakdown, with average salary, for the organizational offices listed.

Answer: A breakdown of the Washington Office of Executive Direction is as follows:

Washington Office--Executive Direction

(FTEs)

| | Average Salary | ES 6 | ES 5 | ES 3 | ES 2 | GM 15 | GM 14 | GM 13 | GS 15 | GS 14 | GS 13 | GS 12 | GS 11 | GS 9 | GS 8 | GS 7 | GS 6 | GS 5 | GS 4 | GS 3 | GS 2 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Director's Office | $33,799 | 1 | 1 | | | 3 | 3 | | | | 1 | 1 | 1 | 3 | | | 2 | 3 | 2 | | | 21 |
| Office of Legislation | 32,038 | | | | | 1 | | | | | 2 | | | 1 | | 1 | | 1 | | | | 6 |
| Office of Congressional Liaison | 22,327 | | | | | 1 | | | | 1 | 1 | | | 4 | | | | 2 | 2 | 2 | 1 | 14 |
| Office of Information Management | 31,007 | | | | | | 1 | | | | | 1 | | 1 | | | 1 | | | | | 4 |
| Departmental Consulting Archeologists | 28,664 | | | | | 1 | | 1 | | | | 1 | | | | | | | 1 | 1 | | 5 |
| Office of Park Planning and Environmental Quality | 40,923 | | | | 1 | | | | | | | | | | 1 | | | | | | | 2 |
| Associate Director, Management and Operations | 30,690 | | | 1 | | | | | | | | | 1 | | 1 | 1 | | | | | | 4 |
| Division of Cooperative Activities | 36,276 | | | | | 1 | | | | | | 1 | | | | | 1 | | | | | 3 |
| Assistant Director, Personnel and Administrative Services | 37,349 | | | | | 1 | | | | | | | | | | 1 | | | | | | 2 |
| Assistant Director, Financial Management and Data Systems | 39,808 | | | | | 1 | | | | | | | | 1 | | | | | | | | 2 |
| Special Resources Staff | 42,547 | | | | | | | | 1 | 2 | 1 | | | 1 | | | | | | | | 5 |
| Total | | 1 | 1 | 1 | 1 | 9 | 4 | 1 | 1 | 3 | 5 | 4 | 2 | 11 | 2 | 3 | 4 | 6 | 5 | 3 | 1 | 68 |

## Funding for the Departmental Consulting Archeologist

Question: What is the history of the Office of the Departmental Consulting Archeologist?

Answer: In response to comments in the General Accounting Office's report "Are Agencies Doing Enough Or Too Much For Archeological Preservation? Guidance Needed" (CED-81-61), on February 23, 1982, then Under Secretary Hodel identified the Departmental Consulting Archeologist (DCA) in the National Park Service (NPS) to oversee and coordinate the Department's archeological programs and to provide policy direction and technical assistance. On June 25, 1982, NPS reorganized several of its offices within its Washington headquarters and established the Office of the Departmental Consulting Archeologist, reporting to the Deputy Director, to carry out these responsibilities. Subsequent to preparation of the FY 84 budget justification, NPS again reorganized offices within its Washington headquarters. The DCA now has the additional title of Assistant Director for Archeology, is responsible for the Archeological Assistance Division and the Anthropology Division, and reports to the Associate Director for Cultural Resources Management and Assistance. The Archeological Assistance Division provides staff support to the DCA, provides programmatic technical assistance to other agencies, issues permits for archeological and paleontological investigations on public and Indian lands, and prepares the annual report to Congress on the national archeological program. The Anthropology Division reviews historic preservation plans and general management plans for the National Parks to ensure that archeological, historic and cultural resources are preserved or protected and provides technical assistance to the Parks on archeological and anthropological matters.

Question: What is the current workload?

Answer: The DCA performs the following functions: analyzes and develops policy for Departmental and Service archeological programs; develops national archeological standards and guidelines, regulations and other policy documents for the protection of archeological properties; collects information for preparation of the annual report to Congress on the scope and effectiveness of the Federal archeological program; issues antiquities permits for archeological and paleontological work on public lands except for those of the Department of Agriculture; and provides professional assistance to the Secretary, the Assistant Secretary, FWP and the Director, NPS, on archeological matters.

## Energy Conservation Program

Question: In the maintenance program, you are proposing an increase of $10,994,000 in operational maintenance and a decrease of $4,592,000 in Servicewide programs. A decrease of $2,847,000 is the largest single decrease, it being the elimination of the energy conservation program. You propose to have each Region consider energy conservation as a part of its overall maintenance program. Who will assume the salary costs for the 9 FTE involved or will they be reassigned? Do Regions currently have their own energy conservation staffs? Do the 9 FTE work out of Washington or the Region or the Park? How many Level I and Level II surveys were done FY 75-FY 82? Has this program been cost-effective?

Answer: The salary for the nine Regional Energy Coordinators is provided in each Region's base budget. Of the FY 1980 appropriation of $1,500,000, $450,000 was put into the Regional office bases, ($50,000 per each of 9 Regions) and $87,500 retained in the Washington Office for salary and expenses of the Servicewide Energy Coordinator and a secretary. The balance of $962,500 was project funds. This was increased to $2,966,500 in fiscal year 1981, then was reduced by 4% to $2,847,000 in FY 1982. The same $2,847,000 was appropriated by Congressional add-on in FY 1983.

Depending upon the needs of the particular Region involved, most of the energy coordinators, who are mechanical engineers, have been assigned additional duties in park restoration and improvement and cyclic maintenance work.

The 9 FTE's will continue to work out of their respective Regional offices assisting parks in energy conservation and related mechanical engineering projects. Two FTE's will continue Servicewide energy coordination activities in the Washington office.

The following table reflects the number of buildings receiving Level I and II surveys from FY 1975 to 1982:

| | FY 75-78 | FY 79 | FY 80 | FY 81 | FY 82 | TOTAL |
|---|---|---|---|---|---|---|
| Level I: | 0 | 779 | 2610 | 2215 | 396 | 6000 |
| Level II: | 0 | 37 | 0 | 0 | 38 | 75 |

The number of Level II surveys is small because these professional engineering analyses are applied to specific high energy using buildings. Project planning is often necessary before construction. A life-cycle cost analysis is made on retrofit alternatives.

The cost-effectiveness of the Level I surveys is indicated by the 1.25 year simple payback for the retrofit projects that were funded as a result of the energy surveys. Actual savings by individual building, or from a particular retrofit is not possible to obtain, because any realized savings is due to a combination of increased employee awareness, improved operations and maintenance, as well as retrofitting. The National Park Service had improved its BTU/GSF efficiency in buildings by 19.6% at the end of FY 1982, as a result of all causes, and this resulted in an annual estimated savings of $ 3.0 Million.

## Cyclic Maintenance

Question: No increase is proposed in cyclic maintenance activities or in the repair and rehabilitation program. Why not?

Answer: The Park Restoration and Improvement Program, while not providing specifically for cyclic maintenance, repair and rehabilitation type projects, has relieved these programs from the burden of addressing health and safety needs. Also, some of the funding provided from the Highway Trust Fund will provide for cyclic, repair and rehabilitation needs on roads. Given these sources of funding and considering competing needs, the Service proposes no increases for these programs in fiscal 1984.

## Concessions Management

Question: For concessions management programs, it seems that the Service simply is not putting enough resources into concessions management. For example, only six staff years are devoted to economic feasibility studies. Service concessioners had gross income of $266 million in FY 1980 but FY 1984 receipt estimates are only $6 million (a 2% return). The Service has over 500 concessioners operating in over 100 park areas but the Service only has 72 FTE devoted to inspections, financial analyses, training, contracting, rate determinations, feasibility and appropriateness determinations, etc. Could the Service generate more income through more effort in this area?

Answer: Since the National Park Service has the authority to set the amount of franchise fees to be paid in new contracts, the Service can unilaterally raise fees as contracts expire with virtually no increase in effort over that expended today. However, fees are based on the probable value of the authorization and prices are limited by law to comparable prices for similar goods and services outside of National Park Service areas. The philosophic problem is that as franchise fees rise concessioner profitability will fall and, on principle, may interfere with the congressional mandate for the National Park Service to provide a reasonable opportunity for profit.

The Service presently reviews the operating financial results of individual concessioners as a new contract or reconsideration period is at hand. This selection review consists of determining a minimum franchise fee based on a weighted average of gross receipts according to a 1965 policy and adjusting this minimum upwards as the concessioner's profitability or other economic factors warrant.

As this policy is outdated, it is currently being revised to update the fee values assigned to the gross receipts categories. In addition, more procedures are being considered to ensure that the fees represent the probable value to the greatest practical extent possible. Standard contract language was revised in fiscal 1979 for inclusion in new concession contracts which allows the determination of the Secretary to be final in setting fees during the reconsideration period. Prior to this change, standard contract language required any fee charge to be mutually agreed to by both the concessioner and the Service.

Question: How many types of fees does the service collect?

Answer: For the privileges granted to concessioners by the particular contract or permit, the Service collects two types of fees from concessioners; a percentage of gross receipts franchise fee and a building use franchise fee. The percentage of gross receipts franchise fee is arrived at through the Service's franchise fee formula guideline which takes into consideration prior operating performance. The building use franchise fee is a fee which is charged to those concessioners which utilize government-owned buildings in their day-to-day operations. In addition to the franchise fees other fees are collected by the Service. However, these fees are for services provided.

Question: Does the Service have a policy to encourage competition in Parks, or does it prefer to have a single concessioner per major park?

Answer: The National Park Service is guided by the Act of October 9, 1965 (79 Stat. 969; 16 U.S.C. 20 et seq) known as the Concessions Policy Act. Pursuant to that Act, it is the policy of the Congress that only those visitor accommodations, facilities and services that are considered necessary and appropriate, and have to be provided for the enjoyment of visitors, shall be located where the least damage to park values will be caused. It is clear, therefore, that we are charged with the dual responsibility of conserving park resources, and at the same time providing for necessary and appropriate visitor facilities and services through private enterprise. Accordingly, we do not encourage competition for the sake of competition in the National Park System as it is contrary to our dual mission to do so.

The provisions of section 4 of the Concessions Policy Act are not mandatory and the Secretary may authorize one concessioner to provide all accommodations, facilities and services, or all such accommodations, facilities and services of generally similar character by one responsible concessioner. In Yellowstone National Park for example, TWA Services, Inc., provides lodging, food service et al, while Hamilton Stores, Inc., provides general merchandising sales.

Question: Please list the major concession agreements coming up for renewal in FY 1984 (say, those with gross revenues over $1 million) with an analysis for each that indicates what factors will be considered in determining the new franchise fee.

Answer: One concessioner agreement, that grosses over $1 million, will be coming up for renewal in fiscal 1984:

Harbor Carriers, Inc. (Golden Gate National
Recreation Area, California)
Contract expires by limitation of time on 12-31-83.

The prior 5-year financial operating results will be reviewed applying the Service's franchise formula guideline to these results. The past profitability of the concessioner will be reviewed together with other economic considerations and compared with various industry statistics. From this financial analysis, a new franchise fee rate will be determined.

Question: The Service spends $3 million in staff to collect $5.4 million in concessions fees. What has the comparison been for the past 10 years?

Answer: The $3 million in the concessions management budget is not utilized to collect the $5.4 million in concession fees but for planning, contracting, financial analysis, inspections, rate determinations and training in the concessions managment program. Included below is the amount of the concessions management budget compared to the total franchise fees for the past 10 years:

| Year | Concessions Management Budget | Franchise Fees |
|---|---|---|
| 1982 | $ 2.7 | $ 5.8 |
| 1981 | 2.5 | 5.5 |
| 1980 | 2.2 | 4.9 |
| 1979 | 1.5 | 4.5 |
| 1978 | 1.4 | 4.2 |
| 1977 | 1.0 | 3.7 |
| 1976 | .5 | 3.4 |
| 1975 | .5 | 2.8 |
| 1974 | .5 | 2.3 |
| 1973 | .5 | 2.2 |

Question: What will the Service do with the $500,000 Congressional add-on in FY 1983?

Answer: The increase will be used to augment staff in the Washington Office in order to improve the financial analysis of concession operations, the determination of appropriate franchise fees, and evaluations of economic feasibility. Funds will also be used to enhance Servicewide training programs for National Park Service personnel, particularly in the areas of concessioner performance evaluation, rate approval, insurance programs, and other contractual compliance. The increase will augment regional concession management staff to facilitate timely completion of required concession evaluation, inspections, and rate comparability reviews.

### Park Restoration and Improvement Program

Question: For the following cultural resources preservation projects, please submit a more detailed (1 page or so) justification. For the health and safety projects listed, describe what it is about each one that qualifies it for health and safety funding.

### Cultural Resource Preservation Project

| | | |
|---|---|---|
| 1. | Alaska Regional Office - ANILCA Study | 80,000 |
| 2. | Alaska Regional Office - CCC & NPS | 20,000 |
| 3. | Boston NHP - Boston Navy Yard | 35,000 |
| 4. | Cape Hatteras - Historic Preservation Study | 30,000 |
| 5. | Delaware Water Gap - Van Gordon House | 20,000 |
| 6. | Delaware Water Gap - LCS | 20,000 |
| 7. | Delaware Water Gap - Van Compen House | 10,000 |
| 8. | Gateway NRA - Rehabilitation Gun Batteries | 80,000 |
| 9. | GW Parkway - Arlington House | 75,000 |
| 10. | Golden Gate - Alcatraz | 147,000 |
| 11. | Harpers Ferry - Cultural Landscape | 15,000 |
| 12. | Harpers Ferry - HSPG Methodology Development | 30,000 |
| 13. | Harpers Ferry - Preservation Environment Study | 15,000 |
| 14. | Harpers Ferry - Paint Chronology Method Study | 5,000 |
| 15. | Harpers Ferry - Historic Structure Theme Catalog | 5,000 |
| 16. | Lowell NHP - Preserve documents | 11,000 |
| 17. | Manassas - Archaeological Survey | 5,000 |
| 18. | Manassas - Troop Movement Maps | 21,000 |
| 19. | Martin Luther King, Jr. - Historic Res Study | 40,000 |
| 20. | Martin Van Buren - Rehabilitation Home | 250,000 |
| 21. | White House - Restore Bullfinch Gate House | 50,000 |

### Health and Safety Projects

| | | |
|---|---|---|
| 1. | Channel Islands - Santa Barbara Support Pilings | 70,000 |
| 2. | Channel Islands - Anacapa fuel storage facilities | 50,000 |
| 3. | Channel Islands - Anacapa Dock Support | 90,000 |
| 4. | Cape Hatteras - Cape Point Water System | 225,000 |
| 5. | Cape Hatteras - Oregon Inlet Bulkhead | 280,000 |
| 6. | Cape Lookout - Upgrade Marina | 50,000 |
| 7. | Cape Lookout - Fumigate Buildings | 50,000 |
| 8. | Everglades - Fumigate Buildings | 25,000 |
| 9. | Fire Island - Rebuild Concession Building | 92,000 |
| 10. | Fire Island - Rodent Control | 17,000 |
| 11. | Fort Jefferson - Fumigate Historic Structure | 25,000 |
| 12. | Fredericksburg etc. - Replace Radio System | 64,800 |
| 13. | Fredericksburg etc. - Air condition Chatham | 116,400 |

| | | |
|---|---|---|
| 14. | Fredericksburg etc. - Air condition Chancellorsville Visitor Center | 23,600 |
| 15. | Gateway NRA - Replace Fire Hydrants | 122,000 |
| 16. | Glacier - Brush backcountry trail 30 mile Bear Safety | 34,500 |
| 17. | Glacier - Build Ranger Boat dock | 8,100 |
| 18. | Glen Canyon - Purchase Garbage Truck | 57,600 |
| 19. | Glen Canyon - Extend boat Ramp for Safe Launching | 503,500 |
| 20. | Glen Canyon - Install FHWA guard rails | 103,000 |
| 21. | Glen Canyon - Repair and Rehab Wahweap Amphitheater | 46,100 |
| 22. | All 6 Golden Gate Projects | 907,000 |
| 23. | Grand Teton - Replace cattle containment fence | 20,700 |
| 24. | Harpers Ferry - Upgrade Comfort Station, Bldg 44 | 18,000 |
| 25. | Jefferson NEM - Replace Broken tile | 262,000 |
| 26. | John Muir - Security and Pier protection | 9,700 |
| 27. | Joshua Tree NM - Improve manual Radio System | 100,000 |
| 28. | Lake Mead - Enlarge lift station | 550,000 |
| 29. | Lake Mead - Non structural flood mitigation | 120,000 |
| 30. | Lassen Volcanic - Construct boardwalk over sulphur works | 55,000 |
| 31. | Lava Beds - Powerline replacement | 700,000 |
| 32. | LBJ NHP - Upgrade radio system | 15,000 |
| 33. | Mt. Rainier National Park - Rehabilitation Radio System | 48,000 |
| 34. | Mt. Rainier National Park - Rehabilitation 30 miles of trail | 100,000 |
| 35. | Mt. Rainier National Park - Glacier Hill slope stabil | 345,000 |
| 36. | Mt. Rainier National Park - Replace trail bridges | 40,000 |
| 37. | North Cascades - Covered Patrol Boat | 25,000 |
| 38. | North Cascades - Trail Tread Mice, Whatcom Pass | 65,000 |
| 39. | Olympic National Park - Trail Rehabilitation | 120,000 |
| 40. | Olympic National Park - Rehabilitation radio system | 100,000 |
| 41. | Olympic National Park - Powerline Rehabilitation | 400,000 |
| 42. | Padre Island - Repair Aerial Mileage Markers | 5,000 |
| 43. | Pinnacles NM - Replace Mobile home | 28,000 |
| 44. | Rock Creek Park - Replace Rear Porch at Club House | 24,000 |
| 45. | All 8 Santa Monica Projects | 814,000 |
| 46. | Theodore Roosevelt National Park - Replace Buffalo Fence | 404,000 |
| 47. | U.S. Park Police - Jet Fuel Storage | 79,000 |
| 48. | White House - Sidewalk Repair | 78,000 |
| 49. | White House - Lafayette Park Lights | 73,000 |
| 50. | Wolf Trap Farm Park - Parking Lot Lights | 92,000 |

Answer: The following justifications are submitted in accordance with the Committee's request:

**Park:** History Division

**Region:** Washington Office

**Project Title:** An Administrative History ANILCA

**Project Description:** This study is a detailed history of events leading up to passage of the Alaska National Interest Lands Conservation Act in 1980.

**Project Justification:** The Alaska National Interest Lands Conservation Act (ANILCA) study represents the second phase of an exhaustive historical investigation inaugurated in fiscal year 1983. This study's goal is to compile an administrative history for ready reference by land managing bureaus and agencies of the frequently conflicting philosophies and goals, the personalities involved, differences wrought by changes in administrations that resulted in December 1980 in legislation more than doubling the National Park Service's land base. Never before and probably never again in the history of our universe will we see such a broad and comprehensive conservation measure.

At present, textual records are poorly inventoried and scattered in many repositories, while the people involved, in a period when many key decisions are made by telephone, are aging. We are confronted by the problems of fading and contradictory memories and death. This is a vital project that for the aforementioned reasons cannot be postponed.

**Park:** Servicewide

**Region:** Washington Office

**Project Title:** Administrative History of the National Park Service and the CCC

**Project Description:** This study is a detailed history of the Civilian Conservation Corps and the vital role this organization played in the development of national parklands in the 1930s.

**Project Justification:** The monies for the study of the Civilian Conservation Corps (CCC) and the National Park Service are needed to complete the second phase of a study initiated in 1983. The CCC's fiftieth anniversary is this year, and during its existence the corps was intimately identified with the National Park Service. Most of the major National Park Service areas of the 1930s, as well as a large number of former state and city parks and military reservations added to the National Park Service in the last 30 years, feature improvements undertaken by the CCC. These range from Stratton Woods at Cape Hatteras, to the Bandelier visitor center, etc. Many of these improvements are of National Register quality and must be identified and assessed, and their significance evaluated under a comparative thematic approach. The study will provide the National Park Service with information needed to make informed management and preservation decisions regarding its CCC-associated structures and features.

Park: Boston National Historical Park

Region: North Atlantic

Project Title: Complete Historic Resource Study/Navy Yard - Phase III

Project Description:

Complete a detailed history study of the Charlestown Navy Yard, an assessment of its significance and an evaluation of its structural components from 1910 to 1973. This will be the third and final volume for the Navy Yard Historic Resources Study.

Project Justification:

The data contained in the study is a prerequisite to the proper management of a historic site. Determinations of building use cannot be made in a meaningful manner without a thoughtful evaluation of the Yard's architectural and historical significance. In addition to serving as a basic resource management tool, the study will provide a wealth of information for the park's interpretive program.

Without this study, information needed for historic structure reports, interpretive plans, and other required planning documents would not be readily available to the park. The study will serve both management and interpretive purposes as a major element in the park information base.

**Park:** Cape Hatteras National Seashore

**Region:** Southeast

**Project Title:** Historic Resource Study

**Project Description:** Produce Cape Hatteras historic resource study, including base map, historic narrative, and annotated bibliography of all source material

**Project Justification:**

In support of the General Management Plan for Cape Hatteras, a historical resource study is needed. The study would include a historic narrative and archeological base map of the area. These documents would provide material to complete National Register nominations for those properties that qualify and provide basic information to identify and support other studies for the preservation and management of cultural resources.

Existing data is fragmented and incomplete; this study would expand data base and consolidate existing information.

Park: Delaware Water Gap National Recreation Area

Region: Mid-Atlantic Region

Project Title: Stabilize Van Gordon House

Project Description: Included in this preservation project are reroofing, repairs to masonry walls and securing of doors and windows.

Project Justification: Listed on the National Register of Historic Places, this 18th century stone structure was built by Jacobus Van Gordon, a revolutionary soldier turned farmer. The structure is in serious condition and the proposed work is intended to halt its disintegration and make the building habitable.

Park: Delaware Water Gap National Recreation Area

Region: Mid-Atlantic

Project Title: Complete List of Classified Structures (LCS)

Project Description: The project involves a contracted survey of the historic and cultural resources of the park to determine their significance, condition, and estimated preservation requirements.

Project Justification: The LCS is the inventory of all above-grade historic and prehistoric structures that have archeological, historical, architectural/ engineering, or cultural value and in which the park has or will acquire any legal interests.

It includes structures which are elements of historic districts or the historic scene or which significantly contribute to a cultural landscape.

It serves to assist the park manager in planning and programming appropriate treatment and in recording decisions regarding listed structures.

The current LCS of the park is 7 years old. In the interim many historic structures have disappeared, others have deteriorated badly and a few have been restored. Costs of work have changed drastically.

As a working tool the current LCS is almost useless. An up-to-date LCS is needed by the park for the following purposes:

1. Planning
2. Fund programming
3. The new historic structures' leasing program

Project Title: Rehabilitate Van Campen House

Project Description: The Van Campen House is one of the oldest structures in the park. Since it stood in the flood plain of the lake which was to have been formed by the Tocks Island Dam, it was moved by the Corps of Engineers to the Millbrook Village complex. The building has been stabilized but lacks a mechanical system, insulation and finishes.

Project Justification: Because of policing problems and the possibility of arson at the park, it is important that a family live in Millbrook Village. There is currently no habitable house for a family. The Van Campen House would satisfy that need. The house is now restored and on a new foundation. All it needs is a mechanical system, insulation and finishes and it will be ready for occupancy. This will best preserve the building and will serve to protect the Village from vandalism.

Park: Gateway National Recreation Area

Region: North Atlantic

Project Title: Study, Rehabilitate Historic Gun Batteries/
Sandy Hook - Phase I

Project Description: Batteries Potter, Mortar and Granger need studies to fully evaluate their rehabilitation needs as they have been dormant since 1946 and are deteriorating. Investigations will evaluate damaged areas and recommend rehabilitation. A small amount of vegetation removal will follow, focussing on Batteries Potter and Granger. These structures are significant historically as they provided defense stations for protecting New York Harbor from 1893-1946.

Project Justification: Failure to begin evaluating these structures will lead to further delays in their rehabilitation. As congressionally mandated, Gateway is responsible for protecting and preserving both natural and cultural sites contained within its boundaries. These batteries are of importance not only to Gateway, but to the total military defense history during World Wars I and II. In Fiscal Year 1982, Gateway expended monies in securing these batteries from visitors as they were posing a serious health and safety concern. This step was initiated only as an interim measure until the batteries could be rehabilitated to provide additional recreational and interpretive experiences for park visitors.

Park: George Washington Memorial Parkway

Region: National Capital

Project Title: Correct Structure and Electrical System-Arlington House

Project Description: Repair attic structure and wing roof sections to reinforce remaining sound wood to provide a load supporting capability equal to the original full section. Replace deteriorating electric system to comply with code.

Project Justification: Arlington House is listed on the National Register of Historic Places and receives over 400,000 visitors per year. Temporary measures, such as eliminating moisture intrusion, have been taken to slow deterioration, however, the life expectency of the wing roofs in 1981 was a maximum of 3 years, and the attic structure has a truss that is seriously deteriorated. The last major electrical work was prior to National Park Service acquisition which was in the early 1930's and does not meet current safety and professional standards.

Park: Golden Gate National Recreation Area

Region: Western

Project Title: Weatherproof Historic Structures, Alcatraz

Project Description: Weatherproof the major structures of historical and visitor use. Install window glass or replace broken window glass, install doors and improve drainage of water off roofs (gutters) and away from the structures. Patch leaking roofs. This is emergency preservation to halt the accelerating loss of historic fabric.

Project Justification: Emergency preservation to keep the major structures on Alcatraz weather-tight to halt the accelerating loss of historic fabric and to keep the structures in a safe condition. This work is to be accomplished on:

The Main Cell Block (the major structure on the Island);
Barracks and Casemates (one structure) which is used as the Visitor Center and Museum; and
Guard House (several small structures united as one complex)

These structures are the focus of visitors to the Island and visitors tour or pass through the structures on the tour.

Maintenance of a historic structure requires keeping the structure weathertight and the moisture/rain out. At the present time the roofs are leaking and rain enters the structures via broken/missing window glass and broken/missing doors.

**Park:** Historic Architecture Division
(Mis-identified as Harpers Ferry)
**Region:** Washington Office

**Project Title:** Cultural Landscape

**Project Description:** Develop a methodology and publish a guideline for identifying, evaluating and managing the park resources associated with the cultural landscapes in the National Park System. This is the final year of a four year project.

**Project Justification:** The cultural landscapes are important in providing the context for understanding and interpreting the events, ideas, or persons associated with a park. The management of cultural landscapes is a significant resource problem which has been neglected. This project will result in a published guideline for use by park managers, park interpreters and park planners in planning the interpretation and management of park cultural landscapes. Funds will be used to print and distribute the guideline to regional office and park staffs. Additional copies will be used over the next several years for in-service training of park staff in management and preservation of cultural landscapes.

**Project Title:** HSPG Methodology Development

**Project Description:** A contract for the preparation of standardized inspection instructions, preservation instructions, and material specifications for the maintenance of historic and prehistoric structures in park units to simplify the preparation of Historic Structure Preservation Guides (HSPG).

**Project Justification:** These instructions and specifications will be made available to the Regional Offices, park units and Denver Service Center. The HSPG is required by management policy and is a reference document for park maintenance personnel to assist in programming, continued housekeeping, and routine and cyclic preservation maintenance. This will insure the proper maintenance and preservation of historic structures throughout the system.

Project Title: Preservation Environment Study

Project Description: Literature search and monitoring at Independence Hall to develop methodology for determining the appropriate level of environmental control in historic structures housing museum objects.

Project Justification: Independence Hall is listed on the National Register of Historic Places and is a primary resource of the National Park Service. As a model for other historic structures, this study will serve the identified need of actively monitoring and controlling the temperature and humidity in historic buildings. It would develop standards for protecting the buildings and their collections "in other areas of the National Park System."

**Project Title:** Paint Chronology Method Study

**Project Description:** Multi-year study to advance development of paint investigation technology using the exterior walls of the White House as a case study.

**Project Justification:** The development of techniques to determine paint color and content is needed in the restoration of historic structures to the appropriate time period. This study will help eliminate costly mistakes and decrease the costs of the present system of paint analysis.

**Project Title:** Historic Structure Theme Catalog

**Project Description:** Research for an annotated catalog of culturally significant Park Service designed roads and parkways to be accomplished by a trained historical architect or architectural historian.

**Project Justification:** Due to the amount of funds coming to the National Park Service from the Federal Lands Highway Program, the National Park Service will be repairing major sections of historic roads. These roads need to be identified to insure that their significant architectural and/or historical elements are preserved. Preservation of these features will provide the visitors with the aesthetic and practical qualities for which the roads were originally designed.

Park: Lowell National Historical Park

Region: North Atlantic

Project Title: Preserve Locks and Canals Historic Documents - Phase I

Project Description:

Conservation of drawings, maps and documents to be donated to NPS by the Proprietors of Locks and Canals: deacidification, repair of tears/reattachment of separations and microfilming of each item as well as selected rebacking and associated restoration. Consisting of some 1,334 pieces from the Proprietors' collection of 8,326, these items date from 1792 through 1900 and comprise unique documentation of buildings and sites, including all of Lowell's power and transportation canals, canal control structures. Important for park management and interpretation, as well as in the larger sense of researching and understanding the Industrial Revolution in this country.

Project Justification:

The documents in this collection are nationally significant: they provide unique documentation of buildings and sites directly related to the Service's mission in Lowell. Documented sites include all of the power and transportation canals in the city; canal control structures; and many industrial and commercial structures. Such sites have for the most part been authorized for federal acquisition or for financial and/or technical assistance. Acquisition and conservation of these historic documents will facilitate research and will consequently help assure the proper preservation of Park-owned or Park-related structures and sites. Many of the documents can also be incorporated in Park exhibits and can enrich interpretive programs accordingly. Failure by the Park to acquire and conserve this unique, historic collection may result in the loss of irreplaceable documents. Not only would such a situation represent the loss of significant historical resources, but with the forfeiture of an important research collection, future preservation projects would be jeopardized as well.

Park: Manassas National Battlefield Park

Region: National Capital

Project Title: Continue Archeological Survey

Project Description: Finalize and print archeological survey documents

Project Justification: In accordance with the park's General Management Plan and Resource Management Plan, and to meet the requirements of Public Law 96-515, stating that such basic data be gathered prior to park planning, a 3-year project involving an archeological inventory and survey of Manassas was begun in FY 1982. This final stage is necessary to complete the project.

Project Title: Prepare Troop Movement Maps Second Manassas

Project Description: Develop troop movement maps for Union and Confederate forces for the Second Battle of Manassas, including routes of march, deployment battle movements, major land forms and structures, etc.

Project Justification: Well documented, detailed troop movement maps are essential to the management and interpretation of this park. The existing information is undocumented, sometimes crudely drawn, showing conflicting versions of the battle. An accurate set of maps will clearly define the historic area of battle, allowing correct decisions regarding interpretation and areas of future construction, and provide baseline data for any future park planning.

Park: Martin Luther King, Jr., National Historic Site

Region: Southeast

Project Title: Historic Resource Study

Project Description: Cultural resource study for new area encompassing over 100 lots and 350 structures in downtown Atlanta.

Project Justification: Martin Luther King, Jr., is a new historic site with only minimal documentation of the resource. It covers 100+ acres and over 350 structures most of which classify as historic. Three main park themes will be studied: Dr. King, Jr., the civil rights movement and 20th century black history. Without this basic study the Service will lack the basic information necessary for development of the park's General Management Plan, due to Congress by September 30, 1984.

This study includes development of preservation guidelines which include standards which the local jurisdiction can then incorporate into the city's zoning ordinance, providing a minimal level of protection for the historic structures, many of which are badly deteriorated or threatened with contemporary alterations.

The study is critical as input to the General Management Plan, Interpretive Prospective, cultural resource management plan and land acquisition plan.

**Park:** Martin Van Buren National Historic Site

**Region:** North Atlantic

**Project Title:** Rehabilitate Lindenwald - Phase I

**Project Description:** Work will consist of continuing to restore interior finishes on the first and second floors, installation of a new heating system, electric wiring and panel, underground electric service and a fire and intrusion alarm system. This work will greatly advance rehabilitation of Lindenwald but does not fulfill fairly extensive needs for wall and floor coverings, furnishings and interpretive exhibits and waysides.

**Project Justification:** The main house of the Lindenwald Estate is the major historic resource of Martin Van Buren National Historic Site, home of the eighth President of the United States. The home is of national significance, is on the National Register, and has serious structural deterioration.

Park: White House (President's Park)

Region: National Capital

Project Title: Restore Bulfinch Gatehouses

Project Description:

The limestone decorative features and individual structural stones of the two gatehouses designed by Charles Bulfinch and located on the Ellipse (President's Park) are badly deteriorated; treatment will be determined and applied. Provide for stabilization, arrest of deterioration and adaptive reuse for public or administrative purposes.

Project Justification:

These historic structures, which are on the National Register of Historic Properties, were designed by Charles Bulfinch, who also designed the U.S. Capitol dome, and they were once located on the Capitol grounds. They are deteriorating, their appearance is most unsightly and visitors are unable to understand their historic significance. Their dilapidated condition lends them to undesirable uses such as storage of agricultural chemicals.

**Park:** Channel Islands National Park

**Region:** Western

**Project Title:** Santa Barbara Support Pilings

**Project Description:** Replace support pilings for landing dock on Santa Barbara Island

**Project Justification:** Reconstruct existing Park Service and public boat launch landing area. Existing structure has decayed beyond rehabilitation and is no longer safe to use. Countinued use by park visitors and employees could result in injuries and/or damage to park and visitor boats.

**Project Title:** Anacapa Fuel Storage Facilities

**Project Description:** Replace Leaking Fuel Storage Tanks for Generators

**Project Justification:** Existing fuel storage tanks are leaking. The leaking fuel is a fire and health hazard, and could contaminate the coastal ecosystem.

**Project Title:** Anacapa Dock Support

**Project Description:** Replace decayed landing dock on Anacapa Island

**Project Justification:** Reconstruct existing Park Service and public boat launch landing area. Existing structure has decayed beyond rehabilitation and is no longer safe to use. Continued use by park visitors and employees could result in injuries and for damage to park and visitor boats.

**Park:** Cape Hatteras National Seashore

**Region:** Southeast

**Project Title:** Rehabilitate Cape Point Water System

**Project Description:** Install new wells, pumps, water softeners, iron removal, equipment housing, and chlorination to provide quality in accordance with EPA and state regulations and sufficient quantity for emergency use.

**Project Justification:**

Present system construction does not meet state standards. Underground suction lines from well points to pumps must be eliminated. The present wells are minimal in supplying the increasing demand. The water is very hard and exceeds the EPA recommended limits for iron. The present softeners will be repaired or replaced and iron removal equipment added.

Present treatment system is too small to supply the average 45,000-gallon per day demand for water to serve the 202-site campground, Museum of the Sea/Lighthouse visitors, beach users, and maintenance/residential area. On several occasions, the demand exceeds 85,000 gallons per day, which reduces reserve needed in case of fire or equipment failure.

**Project Title:** Replace Oregon Inlet Bulkhead

**Project Description:** To minimize the threat of fuel spills from lines located immediately behind it, approximately 675 feet of wooden bulkhead will be replaced with concrete. The project includes replacement of piling and finger piers, rehabilitation of the electrical system, installation of filter cloth and restoration behind the bulkhead, and maintenance dredging.

**Project Justification:**

There are fuel lines as well as water, sewer, and electrical lines located behind the deteriorated wooden bulkhead which has failed twice in the last 2 years. If a major failure occurs, due to earth movement, the lines will break, spilling fuel and sewage into the marina. A fuel spill could dump thousands of gallons into the marina, presenting a catastrophic fire hazard to the life and property of marina users. The area across the head of the marina, where the fuel docks are located, do not have sufficient penetration to prevent washout under the sheeting.

**Park:** Cape Lookout National Seashore

**Region:** Southeast

**Project Title:** Upgrade Cape Lookout Marina

**Project Description:** Replace deteriorated bulkheading, decking, stringers and piling and dredge entrance.

**Project Justification:**

National Park Service personnel now use the marina for boat fueling and as a point for loading or unloading cargo. No similar facility that could serve as an alternative is located in the area. The deteriorated decking and piling pose severe safety hazards to park personnel as they carry materials to and from boats and/or fuel or clean the boats. Work needs to be done to reduce the possibility of accidents resulting in personal injury and property damage.

A major failure of the bulkhead could wash out fuel tanks, resulting in a critical fire hazard.

**Project Title:** Fumigate buildings

**Project Description:** Further structural damage will be halted by fumigating 10 Portsmouth buildings.

**Project Justification:**

Immediate fumigation treatment to eliminate termite and other damaging insects is needed to halt further structural damage to 10 Portsmouth buildings. Rafters, sheathing, subflooring, studs, etc., show signs of pest activity.

Coast Guard Station and Church are major elements of the interpretive tour of historic Portsmouth Village; they must be kept structurally safe for visitors. The other buildings are planned to be opened to the public over the next few years.

**Park:** Everglades National Park

**Region:** Southeast

**Project Title:** Fumigate buildings

**Project Description:** Tent and treat Flamingo visitor center, restaurant, and two, 4-unit apartments, as well as a residence at Key Largo to eliminate health hazard in the restaurant and structural deterioration in other buildings.

**Project Justification:**

The buildings named above have been investigated and checked and are known to contain termites and other insects and these pests and insects are doing considerable damage, not only to the buildings themselves, but are harmful to those using the buildings. Some of these buildings are public use buildings and this means that the visiting public comes in contact with some of the insects, creating an adverse effect on the park visitor. Also, there is the possibility of a health hazard involved in the restaurant area at Flamingo. Also, the buildings must be rid of the termites in order to protect the governments investment and in order to prevent further damage and deterioration to these facilities that serve the visiting public and are vital to the operation of the Everglades National Park.

Project will be undertaken to halt structural deterioration, which threatens to render the buildings unsafe for visitor and employee use.

Park: Fire Island National Seashore

Region: North Atlantic

Project Title: Rebuild Concession Building/Sailors Haven

Project Description:

Present building has been declared unsafe by the Region and Washington. All foundation stringers and piling have completely rotted out and the basic frame of the building has deteriorated beyond repair. Construct new building to replace existing wood structure which is over 25 years old.

Project Justification:

The present structure is unsafe for visitors and concession employees. It is the only building at Sailors Haven now providing food and beverages, as well as beach, camper, and marina supplies. If it were closed down, beach, marina, and Sunken Forest visitors would no longer have any services available to them.

Project Title: Marina Rodent Control/Watch Hill

Project Description:

Compactor is incapable of handling volume of garbage during peak weekends, leaving areas susceptible to rodent infestation. Build concrete structure to house compactors to alleviate health problem and to keep garbage from public view.

Project Justification:

If the garbage collected is not stored properly, rats infest the Watch Hill marina area. It is necessary that garbage be properly compacted and stored in closed containers for removal from the island. Garbage remains for four days before removal. It cannot be removed every day because of extremely high costs of water transportation.

**Park:** Fort Jefferson National Monument

**Region:** Southeast

**Project Title:** Fumigate Historic Structures

**Project Description:** Seal off and fumigate historic houses/residences, currently adapted for quarters use and various powder magazines (lined and floored with native cypress) currently-used for dry storage or that are on the visitor tour route. Destruction being done by pests will soon render the structures unsafe for visitors and employees.

**Project Justification:**

Termites, silver fish and other wood and paper destroying insects, indigenous to south Florida environment are destroying historic wood fabric, creating structural integrity problems and generally destroying government supplies and materials currently in storage at Fort Jefferson. To the best of our knowledge, there has never been any fumigation efforts here. A fumigation program should be instituted immediately to avoid irreplaceable damage, stabilize existing wood structures and other historic fabric, and avoid unsafe conditions.

Park: Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park

Region: Mid-Atlantic

Project Title: Replace Radio System

Project Description: Install base facilities at two Visitor Centers, Jackson Shrine and Park Maintenance Headquarters.

Project Justification: The present radio system is outdated and undersized to provide routine or emergency dispatching for the park. Denver Service Center radio engineers recommended complete replacement. Visitors and park employees are inadequately protected due to the absence of a safe and reliable system.

Project Title: Air Condition--Chatham

Project Description: Installation of a central air conditioning system in Chatham Manor.

Project Justification: Chatham Manor is a 1771 Georgian mansion which has played host to George Washington, Abraham Lincoln and George Marshall. This historic manor house is a visitor center visited by 25,000 people annually. It also serves as park headquarters. Air conditioning is required to protect the 212 year old mansion from climatic changes and to protect historic artifacts integral to visitor understanding of the story of Chatham.

Chatham Manor is visited by an extremely large number of elderly people. The lack of a central air conditioning system endangers their health by exposing them to extreme heat and humidity during the summer months.

Project Title: Air Condition--Chancellorsville Visitor Center

Project Description: Replace air conditioning and heating system at Chancellorsville Visitor Center.

Project Justification: Chancellorsville Visitor Center is visited by 55,000 people annually. It houses the park's main artifacts collection. The present heating and air conditioning system is inefficient and subject to frequent breakdowns. Parts are extremely difficult to obtain, causing the system to be inoperable for long periods. The Visitor Center windows cannot be opened, thus subjecting park employees and visitors to extremely uncomfortable and unsafe conditions.

Park: Gateway National Recreation Area

Region: North Atlantic

Project Title: Replace Fire Hydrants/Sandy Hook

Project Description:

Repair and replace 25 fire hydrants in the Fort Hancock Historic District. Fire protection for the historic district and the Gateway Village (proposed) is inadequate due to the number of hydrants which are inoperable. Fire hydrants must be rehabilitated/replaced to insure the protection of over 180 historic structures.

Project Justifications:

Without this rehabilitation/repair work, the Sandy Hook historic buildings and resources will continue to be vulnerable to loss/damage as a result of insufficient fire suppression capability. Response time to the nearest fire house is 30-45 minutes. Immediate action is necessary in suppressing fires. Adequate water supplies must be available to the necessary volume of water and number of hydrants for hook-up by responding fire companies.

Park: Glacier National Park

Region: Rocky Mountain

Project Title: Brush Backcountry Trail 30 Miles - Bear Safety

Project Description: Provide wide cleared trail section by removing brush or other vegetation which has invaded the original cleared limits.

Project Justification: The growth of annuals, shrubs, and other vegetation is restricting visability along trail rights-of-way. Clearing this vegetation and providing a wider section improves visibility along the trail thus reducing the liklihood of surprise bear encounters.

Project Title: Building Ranger Boat Dock

Project Description: Replace existing dock at Two Medicine Lake.

Project Justification: The present make-shift floating dock does not provide adequate protection for National Park Service boats during storms. Rain and high waves cause frequent swamping subjecting park staff to extremely adverse conditions while trying to service the boats. Moreover, the swamped crafts are not immediately available for rescue operations during the period when they would most likely be required.

Park: Glen Canyon National Recreation Area

Region: Rocky Mountain

Project Title: Purchase Garbage Truck

Project Description: Purchase packer garbage truck and ten bins for solid waste management at Hite.

Project Justification: The Service currently uses an unapproved dump site for the disposal of solid waste at Hite. This temporary facility does not meet State health standards. The State of Utah and the Public Health Service are pressuring the Service to clean up the disposal area and haul solid waste to a State approved landfill. A garbage packer is needed to transport waste the considerable distance to the landfill. The bins will be used for sanitary storage at Hite prior to disposal.

Project Title: Extend Boat Ramp for Safe Launching

Project Description: Extend concrete boat ramp at Hite

Project Justification: The ramp does not extend to low reservior levels since it was constructed during a period of relatively high water. When the water level is low, visitors have to launch their boats from the rough ground below the ramp. This often results in cars getting stuck or having their differentials flooded. Damage to boats and trailers has also occurred. Ramp construction will be costly due to the rocky terrain.

Project Title: Install Guardrails (Lakeshore Drive)

Project Description: Install guardrails along various sections of Lakeshore Drive in conformance with Federal Highway Administration standards.

Project Justification: Sections of Lakeshore Drive are not adequately protected with guardrails to ensure visitor safety. This popular route provides scenic views of the western section of the park and access to Wahweap campground. There have been instances of vehicles losing control, leaving the road, and plunging into the lake. The lack of guardrails presents a risk not only to the visitor but also to park staff involved in rescue/recovery operations.

Project Title: Repave and Rehabilitate Wahweap Amphitheater

Project Description: Installation of a trail/amphitheater trail system, revising the audio and electrical system and rehabilitation of the signing, screen protection device and seats.

Project Justification: The access trail and amphitheater area need to be repaved because of tripping hazards to the visitors. It has been approximately 15 years since the area was paved. It now has an uneven surface and potholes. Electrical and lighting systems need to be upgraded because most programs are held at night which increases the hazards due to poor visibility. A screen protection device is needed to keep youngsters from climbing on the screen which is in poor structural condition and might cause injury to them. Amphitheater seats are old and full of splinters.

Park: Golden Gate National Recreation Area

Region: Western

Project Title: Repair primary trail, Point Bonita Lighthouse

Project Description: Replace section of trail that failed or is failing at Point Bonita Lighthouse

Project Justification: Extensive trail reconstruction is required to reopen Point Bonita Lighthouse trail damaged in January 1982. The trail has suffered further damage from recent rain. Funds are required to complete additional work in order to bring the trail up to safe enough standards to open it to the public.

Project Title: Fire/Security System Maritime Museum

Project Description: Install fire alarm and sprinkler system in the Maritime Museum structure to meet fire codes. Install security system to protect the historic objects and other Government equipment.

Project Justification: The Maritime Museum is an historic structure which contains 25,000 historic maritime artifacts worth millions of dollars. A fire would endanger the structure, artifacts, Government property, surrounding shops, restaurants and offices.

The structure also houses the S. F. Senior Center and due to the physical condition of some of the senior citizens, rapid movement is not possible and a fire could result in loss of life; adequate fire alarm and sprinkler/suppression are needed.

Several major thefts of museum exhibit artifacts have occurred e.g., a large ship model from a display case valued over $10,000. An adequate security system is needed both for entry to the structure and to protect valuable historic artifacts.

Project Title: Fire Suppression System Maritime Library
(Building 315, Fort Mason)

Project Description: Installation of a dry chemical fire suppression system to protect the Maritime Museum Library, and a halon system to protect the rare book vault.

Project Justification: The Maritime Museum Library is one of the largest in the world. The library has over 13,000 volumes most of which are out of print. It also has over 150,000 photo images and in excess of 40,000 sheets of historic ship plans and thousands of archival items. The current value of the maritime library exceeds $8 million. The library is used by national and worldwide maritime historians.

The fire suppression system will protect the resources of the library (charts, ship plans, historic reference books and publications, logs of historic ships, photo negatives) from loss and limit damage should a fire occur. The system will also provide protection to staff and visitors using the collection.

Project Title: Maritime Museum mechanical/electrical systems

Project Description: Replace antiquated mechanical and electrical systems

Project Justification: Major alterations to existing mechanical/electrical systems are required to upgrade building to meet Federal, State, and local utility safety codes.

Operations of the building are limited due to the inadequate systems. Structural deterioration and fire danger will be a continuing threat until repairs/rehabilitation are complete.

Project Title: Fort Mason electrical conversion, phase II

Project Description: Replace antiquated electrical system at Fort Mason

Project Justification: Upgrade existing power distribution system to meet existing National Electric Code standards.

The Fort Mason Pier Area Electrical System is in bad condition. In 1976 some underground transformers failed, requiring reduced power availability to some buildings. More failures of this kind could occur at any time. We are dependent on the U.S. Army and private contractors for maintenance and repair of the high voltage system. The Pier area is a major public use area operated by the Fort Mason Foundation under NPS permit. Their activities include theatrical productions, art classes, dance classes, art galleries, community college classrooms, and environmental education. Without this rehabilitation, failure of the system can occur at any time causing closure of these ongoing public activities. NPS maintenance shop and curatorial workshop would be affected also. Energy conservation is presently difficult due to the lack of metering. This project would reduce NPS operations cost for utilities.

Project Title: Conversion of Marin Electricity to Pacific Gas and Electric

Project Description: Upgrade antiquated NPS owned electrical system

Project Justification: Upgrading of existing Park Service-owned electrical utility to reduce Government operating costs prior to sale to PG&E in accordance with Park Service policy. The system is deteriorating due to lack of maintenance. This proposal would bring the system up to safe standards and reduce Government costs.

Park: Grand Teton National Park

Region: Rocky Mountain

Project Title: Replace Cattle Containment Fence

Project Description: Install two miles of buck and rail fence along east boundary.

Project Justification: Cattle have been breaking down the existing buck and rail fence, causing a safety problem when they stray onto adjacent roads. The park has the fencing responsibility along the State highway located within the park boundary.

Park: Harpers Ferry National Historical Park

Region: National Capital

Project Title: Upgrade Comfort Station, Building 44

Project Description:

Building 44 is the Phillip Coons building and contains public restrooms used by visitors to Harpers Ferry Park. The work consists of removing terrazzo floors and replacing with same adding new floor drains. Replace tile on walls with new tile and replace the partitions.

Project Justification:

Existing walls and floors are deterioriated to the point that cleaning them is no longer satisfactory. The HVAC system located above the restroom leaked at one time and the oil acid from within the core filter ran down into the restroom damaging the walls and floor. There is considerable pitting in the floor, broken tiles and mildew throughout the restrooms. The restrooms in this building are the only ones open to the public in lowertown Harpers Ferry and are heavily used throughout the year.

Park: Jefferson National Expansion Memorial National Historic Site

Region: Midwest

Project Title: Replace Broken Terrazzo, Entrance Ramps

Project Description: Replace the existing terrazzo surfaces on the entrance ramps to the Arch.

Project Justification: The existing ramps to the Arch were constructed in 1965 and consist of a very smooth terrazzo surface. This surface has been deteriorating rapidly over the past 8 years. A great deal of the existing surface has been patched at different times. The ramps are sloped down to the entrance at about an 8 percent grade. The initial surface is very slippery when wet and the patched areas are even more slippery. The existing situation is dangerous and has resulted in a number of falls by visitors. This project entails the removal of the existing terrazzo surface and replacement with a surface which is safer for such an incline and still architecturally compatible with the aesthetics of the monument.

Park: John Muir National Historic Site

Region: Western

Project Title: Security and fire protection

Project Description: Upgrade existing fire and security systems

Project Justification: Upgrade existing fire protection and intrusion alarm system to meet National Fire Code. Modern smoke and heat detectors will decrease the possibility of visitors or employees being trapped on upper floors of Muir House. Existing systems malfunction in both Adobe and Visitor Center causing false alarms.

Park: Joshua Tree National Monument

Region: Western

Project Title: Improve FM radio system

Project Description: Upgrade park radio system to provide complete coverage of the monument.

Project Justification: Upgrade emergency Park Service visitor radio notification system. Existing system will not adequately notify required personnel in emergency situations. Coverage is limited to about 60 percent of monument. During emergencies personnel are often required to leave scene in order to obtain help.

Park: Lake Mead National Recreation Area

Region: Western

Project Title: Enlarge lift station

Project Description: Replace old, inadequate sewage lift station

Project Justification: Existing system failure imminent, reconstruction required to ensure discharge effluent meets Environmental Protection Agency, U.S. Public Health Service, State and local health department regulatory requirements. Failure of station will require closure of all Boulder Beach facilities.

Project Title: Non-Structural Flood Mitigation

Project Description: Provide studies to determine the most feasible non-structural flood hazard mitigation measures.

Project Justification: Implement flood hazard mitigation techniques that would reduce extreme visitor life threatening situations during periods of heavy rainfall and run-off that could cause flash flooding at Willow Beach, Cottonwood, Katherine Landing and Temple Bar. The non-structural flood hazard mitigation would include evacuation planning, warning signs, advance flood warning systems relationship to existing structural measures in place, comprehensive planning, etc.

Park: Lassen Volcanic National Park

Region: Western

Project Title: Construct boardwalk over sulphur works

Project Description: Construct new boardwalk through thermal areas

Project Justification: Construct new boardwalk with guardrails to prevent visitors from walking off trail into thermal area. Present paved trail is adjacent to thermal pools and mud pots with no guardrails or barriers.

Park: Lava Beds National Monument

Region: Western

Project Title: Powerline replacement

Project Description: Relocating and undergrounding powerline to park headquarters

Project Justification: Existing powerline is over 40 years old and has deteriorated beyond repair. Power outages are more frequent. Park maintenance personnel are not qualified to work on line. Electrical repair contractors located 70 miles from park. Powerline also traverses prime resources in park.

Park: Lyndon B. Johnson National Historical Park

Region: Southwest

Project Title: Upgrade Radio System

Project Description: Acquire and install improved radio equipment, including new mobile units and remote tie-ins with local law enforcement agencies. Relocate radio repeater to provide complete coverage of the park.

The park consists of two separate units, 15 miles apart. The new radio system will allow management to immediately notify park employees and the many park visitors on the tour buses of frequent emergency situations, such as tornado warnings or flash floods on the Pedernales River. It will help to ensure a much more rapid response to accidents and law enforcement situations by providing complete radio coverage for the park (there is now a gap), and having a tie-in with the local sheriffs' offices and the Johnson City Marshal, who provides night guard service for that area of the park.

Project Justification: The present radio system is outdated and inadequate. It does not allow direct communication with local law enforcement agencies and does not provide radio coverage for the entire park.

Park: Mount Rainier National Park

Region: Pacific Northwest

Project Title: Rehabilitation of radio system

Project Description: Upgrade 4 of 6 repeaters by replacing obsolete equipment.

Project Justification: Located in a sparsely developed area of the Cascade Range, Mount Rainier NP must rely on radio communications for most of its emergency operations function. While limited telephone service is available at scattered areas, park employees must have a reliable radio system while fighting forest fires, performing search and rescue operations, and undertaking law enforcement actions. The present radio system does not offer complete coverage in the park, fully functional dispatch capabilities, and fully reliable repeater station operation. To meet Service and interagency standards for communication during emergency and law enforcement activities, the park is continuing to upgrade its radio system. This project represents the portion the park realistically expects to complete during fiscal 1984.

Project Title: Rehabilitation of 30 miles of trail

Project Description: The work involves making the trail tread surface safer through filling, regrading, or resurfacing, soil conservation, and facility protection. In the Pacific Northwest environment, water is the most destructive element and its impact can be mitigated by the provision of better drainage (i.e. water bars, ditching, and crowning).

Project Justification: Mount Rainier National Park, with an annual visitation of approximately 2 million, is comprised of over 235,000 acres of thick forest, glacier, and volcanic peak land forms with over 300 miles of trails. Much of the park's trail system was constructed prior to today's standards for trail width, drainage, and tread composition. To correct the result of hikers and horse parties impact on the trails over the past years, the park has begun a staggered rehabilitation program based on the amount of trail work it could reasonably expect to accomplish during a fiscal year within available funds. To date funding has not been sufficient to keep pace with rehabilitation workload.

Project Title: Glacier Hill Slope Stabilization

Project Description: Scour loose debris from road cuts to reduce risk to motorists from rockfalls.

Project Justification: Mount Rainier National Park has 141 miles of roadway which traverse through steep walled, glacial cut hillsides that continue to sluff rock from gravel to boulders of considerable size. This rockfall poses an identified safety hazard to visitors at popular viewpoints, such as Narada Falls, as well as motorists. Personal injury as well as damage to vehicles are safety risks that could be mitigated. The park has attempted to use barriers, catches, and netting to improve visitor safety. A 1982 preliminary engineering study by the Federal Highway Administration has recommended a high impact water cannon to scour the loose debris as an alternative to controlling rockfall. This project will attempt to reduce rockfall along a stretch of road from Glacier Bridge up Glacier Hill toward Paradise. Should this process be successful, it will be utilized in other portions of the park where continual rockfall poses safety concerns. The park will assure that formal review be undertaken according to National Environmental Policy Act compliance procedures before the project begins.

Project Title: Replace Trail bridges

Project Description: Rehabilitate or replace as necessary foot bridges crossing backcountry bridges and streams.

Project Justification: Backcountry travel is a popular recreational activity in Mount Rainier National Park and more people are exploring the park by foot. Numerous streams and rivers start on the slopes of the mountain and must be crossed by trail travellers. To make stream crossing safer, the park has constructed bridges which need rehabilitation to assure safe service. In periods of high runoff or during snowcovered conditions a number of visitors have died or suffered injuries fording or using downed timber as a means for crossing streams. Many visitors do not understand how after crossing a small stream in the early morning they may return in the afternoon to find the stream swollen due to a warm day's melt. Bridges prevent possible fatal misjudgements. This project will continue to rehabilitate trail bridges that do not meet structural safety guidelines for public use by replacing or shoring stringers, decking, piling, berms, gabion, or support members as needed.

Park: North Cascades National Park

Region: Pacific Northwest

Project Title: Covered Patrol Boat Dock-Lake Chelan

Project Description: Construct a cover for the NPS boat dock to provide protection during adverse weather conditions for staff and equipment (patrol boat).

Project Justification: The North Cascades National Park complex includes Lake Chelan National Recreation Area. Ranger coverage of this 50 mile long fjord-like lake is provided by boat from Stehekin, Washington.

A portion of the park's visitor protection function at Stehekin involves boat patrol, boating safety, and water search and rescue functions. The weather can be harsh with heavy winds, snow, and ice but the patrol boats must be able to respond to emergency calls as soon as possible. A covered boat dock would reduce the time needed to get underway thus improving the park's ability to deal with emergency and safety incidents. Employee safety would also be improved because the employee would not be subjected to severe weather conditions while preparing the boat to get underway.

Project Title: Trail Tread maintenance, Whatcom Pass

Project Description: The work will involve regrading and resurfacing of the trail tread, correction of drainage problems through placement of water bars, ditches, and crowning, and identifying substandard structures such as puncheon, bridges, and signs for future work.

Project Justification: The North Cascades National Park complex is comprised of North Cascades National Park, Lake Chelan National Recreation Area, and Ross Lake National Recreation Area covering over 680,000 acres of land with 365 miles of trail. The park is experiencing an increase in the number of backcountry travellers and this is impacting upon the condition of park trails. The condition of the Whatcom Pass Trail has deteriorated and needs rehabilitation to correct substandard sections for visitor safety (prevention of falls is the main concern) and preservation of the trail (preventing further deterioration). When finished, the visitor will find a trail upgraded to current standards which is safer and easier to use and reduces visitor impact on the natural resource by confining immediate impact on the trail provided and reducing erosion.

Park: Olympic National Park

Region: Pacific Northwest

Project Title: Trail Rehabilitation

Project Description: Regrade and resurface 22.5 miles of trail. Correct drainage problems by improving ditches, water bars and crowning.

Project Justification: Olympic National Park has over 600 miles of trails used by an annual visitation of almost 3 million. Much of the trail system was constructed during the CCC period of the 1930's; and while it has served admirably over the years, it was not designed to handle the nearly 100,000 hiker days of use it now gets or protect the natural resources to the standards of the National Park Service. The park has identified an ambitious program to rehabilitate 22.5 miles of trail by improving trail tread and correcting drainage problems. When the project is completed, the visitor will find a safer and easier trail to use and the natural resources will be less impacted because visitor travel will be more confined to the trail and erosion will be reduced. Trail structures such as puncheon, bridges, and signs that do not meet present standards will be improved, replaced, or identified for later projects.

Project Title: Rehabilitate Radio System

Project Description: Upgrade repeaters by replacing obsolete equipment. Relocate repeaters in Lake Ozette and Staircase areas for more efficient operations.

Project Justification: Operating under exclusive jurisdiction, the park is the only Government agency responsible for provision of law enforcement and fire fighting functions as well as search and rescue and other emergency situations for over 900,000 acres. The park radio system is the only form of communication available to the park employee responsible for handling the emergency at the scene. Many times, prompt response of additional help, coordination, and control of the situation has prevented further problems. The radio system must not fail to provide this needed communication if we expect the park to perform these mandatory missions. The present system has failed at times due to the age, quality of its various components, and system design. These problems lead to equipment failures, inability to handle multiple emergency incidents due to message interference, and poor reception in critical locations (a prime example of an area is the bluff and tidal zone of the coastal strip where search and rescue operations are not able to communicate directly with headquarters and must rely upon a relay). This project will provide improvements to assist employees involved in situations where their safety is dependent upon reliable radio communication. Visitors should experience faster and more efficient park response which could possibly save a life or prevent more serious injury.

Project Title: Powerline Rehabilitation

Project Description: Replace deteriorated powerline to Hurricane Ridge. A new cable will be buried along Whiskey Bend Road and up Wolf Creek Trail to provide reliable service to this popular visitor area.

Project Justification: One of the most popular areas of the park is Hurricane Ridge. A medium sized, multi-purpose, day use building provides visitors with concessionaire provided services, interpretive services, and a place to view the superb scenery during inclement weather.

The powerline serving this facility is buried slighlty below the surface along an approximate 6 mile stretch from a power source in the Elwha Valley. This powerline is subject to failure due to deterioration of the cable and splice points. A new cable will be buried along Whiskey Bend Road and up the Wolf Creek Trail which will provide more reliable service. At present, the area must use a standby generator to partially operate the lodge, water system, and an important radio repeater installation. A reliable power supply is critical to facility protection (at present, power failure during the winter cannot be corrected until summer snowmelt has finished and the line can be found). The radio repeater serves approximately 150,000 acres of wilderness and employees assigned to resource management and visitor protection duties can only communicate to the outside world over the radio. Reliable service is imperative.

Park: Padre Island National Seashore

Region: Southwest

Project Title: Repair/Replace Aerial Mileage Markers

Project Description: Install aerial mileage markers along the beach every 5 miles from a point beginning at the end of the paved road to Mansfield channel. A total of 10 telephone-type poles suitably marked for both ground and aerial observation are required.

Due to flat terrain, few landmarks are evident along this 60 miles of Gulf of Mexico coastline. Visitors need to know their location to insure that they do not run out of gas or time. Management needs location markers for search and rescue purposes. Location markers are also needed as permanent references for resources management and law enforcement purposes. Lack of mileage markers could result in lost or stranded visitors, extended time in locating injured or lost persons, lost data reference points for cultural and natural resources, and lack of acceptable documentation for criminal prosecution. Each year approximately 20,000 people travel in this area.

Project Justification: Previous mileage markers were destroyed by a hurricane in 1980.

Park: Pinnacles National Monument

Region: Western

Project Title: Replace mobile home

Project Description: Replace old deteriorated mobile home

Project Justification: Replace existing 10' x 50' mobile home. Present unit is beyond economic repair. Existing wiring and plumbing in old trailer do not meet mobile home codes. Unit is no longer considered safe for occupancy, yet is needed to house employee on required occupancy.

Park: Rock Creek Park

Region: National Capital

Project Title: Replace Rear Porch at Club House

Project Description: Remove rear porch and steps on the Golf Course club house. Install new metal steps and deck.

Project Justification:

Existing wooden deck and steps are rotten and deteriorated. The area has been condemned and closed by the Region Safety Office. This closure represents an inconvenience to both the public and the concessioner.

Park: Santa Monica Mountains
National Recreation Area

Region: Western

Project Title: Replace deteriorated overhead electrical lines

Project Description: Replace deteriorated overhead lines with underground cable and replace junction boxes on all buildings to comply with local electrical codes.

Project Justification: Upgrade existing electrical distribution lines to reduce severe visitor and employee safety hazard due to weatherworn, deteriorated, antiquated system.

Project Title: Public Safety and Protection of Buildings

Project Description: Stabilize old movie sets and secure further deterioration and eliminate hazardous conditions which affects the visiting public.

Project Justification: The movie set located at Paramount Ranch is a major attraction to the visiting public. The set was constructed in the mid 1950's utilizing used lumber, nails, etc., and it has received very little maintenance since that time. Because it now falls under NPS jurisdiction we are liable for its condition and the well being of the visiting public and NPS alike. Loose, missing, rotten and broken boards, timbers, stairs, steps, windows, etc. constitute extremely hazardous conditions. This package will allow the NPS to correct these unsafe, unsightly conditions and repair/replace fencing and gates to control public access.

Project Title: Convert existing Water/Sewer System

Project Description: Connect existing sewer and water lines to available municipal systems at Rancho Sierra Vista and Paramount Ranch.

Project Justification: These two areas combined tend to receive the majority of the park's visitation. The park is not able to provide adequate, safe potable water with appropriate dispensing facilities because these units are natural areas, removed from urban development. We are subjecting the public, visitors and/or employees to untreated, unsafe, inadequate facilities and the possibility of illness from contaminated drinking water and lack of sanitary stations which could result in legal claims against the Federal Government.

Project Title: Construct comfort stations in 4 locations

Project Description: Replace portable chemical toilets with mobile comfort stations which will require connection to existing public utilities.

Project Justification: Replace existing inadequate and unsanitary portable chemical toilets with four mobile visitor comfort stations which are to be located at Paramount, Franklin Canyon Ranch, Rocky Oaks Ranch, and Rancho Sierra Vista. Existing chemical toilets are inadequate and unsanitary.

Project Title: Bridge Repair

Project Description: Repair or replace two concrete bridges that are unsafe.

Project Justification: Two concrete bridges approximately 15' wide and 25' long are slumping and breaking apart. Bridges are presently unsafe. Both are in future visitor use areas and should be repaired prior to opening the Danielson Ranch to public use.

Project Title: Construct Parking Area

Project Description: Construct permanent parking area in Visitor Education Center at Franklin Canyon Ranch.

Project Justification: Visitors participating in programs at the education center and walking the ranch trails now park along and on the road shoulder of Lake Drive. The existing parking situation is hazardous and creates an unsightly entrance to the education center. A small permanent parking area is needed to safely facilitate the continuation of the existing educational programs in the area.

Project Title: Rehabilitation of Buildings

Project Description: Rehabilitate two structures recently acquired by the NPS. Existing structures have not been maintained over the past 5 years and require minor repairs.

Project Justification: Due to lack of care and attention for the past 5 years, prior to National Park Service takeover, this once well maintained area has deteriorated to the point of becoming a safety and health hazard. The two structures have broken windows, doors, bathroom fixtures, rats, etc. Being a recent addition to the recreation area, our biggest concern is inviting the visiting public to an unsafe area. Since it is impossible to secure the area or prevent visitors from utilizing it, our only alternative is to repair fences, buildings and the immediate grounds in order to eliminate all existing hazards and make the area safe and presentable to the visiting public.

Project Title: Rehabilitate Five Public Use Structures at RSV

Project Description: Upgrade five existing structures for public use. Existing structures require minor construction to eliminate various visitor hazards in and around surrounding buildings.

Project Justification: The acquistion of Rancho Sierra Vista in 1980 gave the Park Service an existing operating ranch. Unfortunately the previous owner did not keep the ranch in a safe, well maintained manner. The last major improvement took place in the early 1960's. Since then, only emergency or corrective maintenance has taken place. In order for the NPS to present this facility to the visiting public as a living history ranch, a special events area and an environmental education center, we must correct all of the unsafe, unsanitary conditions. To utilize the ranch in its present condition would place the visiting public and NPS employees alike in potentially hazardous surroundings, increasing the possibility of accidents or sickness which could result in legal action against the Federal Government.

Park: Theodore Roosevelt National Park

Region: Rocky Mountain

Project Title: Replace Buffalo Fence

Project Description: Repair/Replace 10 miles of buffalo fence.

Project Justification: Buffalo escaping through damaged fencing are damaging wheat fields and crops of ranchers in the area. Recapture and round up activities are very hazardous. During recapture operations Government horses have been killed and employees injured by the buffalo. If the buffalo continue to escape due to inadequate fencing, the lives of Government employees will continue to be endangered and Government property will continue to be destroyed. Local farmers and their stock also face a danger from the buffalo.

Park: U.S. Park Police

Region: National Capital

Project Title: Replace temporary jet fuel storage at hanger.

Project Description: Project includes installation of a 10,000 gallon fiberglass, jet fuel storage tank for use of the aviation unit and installation of a 10,000 gallon regular fuel tank for the use of other police vechicles. The tanks will be located at the Aviation Hanger, Anacostia Operations Facility in Anacostia Park, Southeast, Washington.

Project Justification:
The two Park Police helicopters are currently fueled from a borrowed 1971, 1,200 gallon tanker. In addition the maintenance of the vehicle is becoming prohibitive. U.S. Park Police vehicles are currently being fueled from a 1,000 gallon tank at the north end of the park. This tank must be refilled approximately every other week. The new regular tank will enable the police to have 24 hour refueling ability and reduce overall costs and mileage. It is estimated the new Anacostia Operations Facility services approximately 135 people and 55 vehicles (autos, motorcycles, scooters, trucks, vans) on a 24 hour basis.

Park: **White House (President's Park)**

Region: **National Capital**

Project Title: **Sidewalk repair - Lafayette Park**

Project Description:

**The existing sidewalk on the east side of Jackson Place, NW. from Pennsylvania Avenue to H Street will be replaced with a new brick sidewalk to match the remaining sidewalks of Lafayette Park.**

Project Justification:

**. The existing sidewalk is severely deteriorated. Panels are cracked and broken, tree roots have lifted sections making the sidewalk hazardous and unsafe. The sidewalk area is a major area for Metro bus transfers and serves thousands of other pedestrians daily. The area is heavily used by 1st Amendment demonstrators. The sidewalk is part of the Lafayette Park Historic District listed on the National Register and the brick sidewalk is a part of the historic landscape design done by John Carl Warnecke in the early 60's.**

Project Title: Replace Lafayette Park lighting system

Project Description:

This project will replace the existing light poles and fixtures with new materials.

Project Justification:

. The existing light level is very low and visitor safety is a strong concern. Additionally, there are no longer replacement fixtures available to repair the existing lighting system. Many of the lamp parts are severely deteriorated and rusty, and the steel tie rods cannot be checked. The replacement lights will yield 3.5 times as much light at one-third the annual maintenance cost. In addition, the new lights will last 2½ times longer than the existing lights do and use one-half the electricity of the old fixtures. The new lights will be aesthetically and historically acceptable.

**Park:** Wolf Trap Farm Park

**Region:** National Capital

**Project Title:** Replace lights in west parking lot.

**Project Description:** Project involves removal of existing lighting system and installation of new conduit and light poles throughout the parking lot.

Project Justification:

There are approximately 80 existing light poles located in the west parking lot. The light poles are of thin aluminum located on concrete bases. The poles are subject to wind damage and are increasingly becoming unsafe (loose) and more difficult to maintain. At some locations the concrete base is so short that automobile bumpers may protrude over the base and strike the pole directly. There is no protection around the individual poles. Existing wiring is direct burial and in need of replacement as the parking lot is not paved and is subject to movement. This project would bury the wiring in conduit and replace the 80 existing lights with 7 taller more energy efficient lights, thus greatly reducing the possibility of accidents and damage to the lighting system.

## National Park Service Criteria for Health and Safety Projects

Question: State in one short paragraph the NPS criteria for health and safety projects.

Answer: The Service uses a single broad criteria for determining which projects should be considered as health and safety. A health and safety project is one which corrects a deficiency or addresses a situation which represents a real or potential threat to the health and safety of park visitors and/or staff. This broad criteria is applied subjectively by each Park Superintendent and confirmed by the Regional Office.

## Funding for the Boise Interagency Fire Center

Question: Please provide a summary and a copy of the inter-Departmental agreement regarding BIFC funding (page 81).

Answer: The Boise Interagency Fire Center is the National Logistic Support Center responsible for coordinating the dispatching of closest suitable manpower, equipment, and aircraft for wildfires which exceed the capabilitites of local and regional resources of land management activities.

With the Bureau of Land Management as host agency, the fire center includes cooperating programs and services from the Forest Service, Bureau of Indian Affairs, National Park Service, Fish and Wildlife Service, and National Weather Service.

The Inter-Departmental agreement provides for cooperation in the development, operation, and maintenance of certain programs and services at the fire center, and a means for sharing of costs and manpower associated with these activities. All parties to the agreement agree:

Programs and services will be share-funded beginning in fiscal 1984. Funding will be as follows:

> Bureau of Land Management will provide funding and/or manpower to programs and services at a level necessary to meet its own activity needs (approximately 60 percent of total progam costs).
>
> Bureau of Indian Affairs, National Park Service, and Fish and Wildlife Service will provide funding and/or manpower support for the difference between the total program cost and the Bureau of Land Management operation cost. The amount (estimated to be approximately 40 percent of the total) will be allocated as follows:

| | |
|---|---|
| Bureau of Indian Affairs | 50 percent |
| National Park Service | 37-1/2 percent |
| Fish and Wildlife Service | 12-1/2 percent |

A copy of the Inter-Departmental agreement regarding BIFC funding follows:

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# INTRA-DEPARTMENTAL AGREEMENT
Between the
Bureau of Land Management (BLM)
Bureau of Indian Affairs (BIA)
National Park Service (NPS)
and the U.S. Fish and Wildlife Service (FWS)
for the
OPERATION OF PROGRAMS AND SERVICES AT THE BOISE INTERAGENCY FIRE CENTER

## I. INTRODUCTION

The Boise Interagency Fire Center is the National Logistical Support Center responsible for coordinating the dispatching of closest suitable manpower, equipment, and aircraft for wildfires which exceed the capability of local and regional resources of land management agencies. The center participates in the development and improvement of standards and technology for wildfire management activities. It is responsible for development, planning, and conducting of standardized fire management training courses and curriculum. If requested, the center can provide its available fire suppression resources to meet other National or Regional emergency needs when such resources are not needed for fire suppression activities.

With BLM as host agency, the fire center includes cooperating programs and services from the Forest Service, Bureau of Indian Affairs, National Park Service, Fish and Wildlife Service, and National Weather Service.

## II. PURPOSE

To provide for cooperation in the development, operation, and maintenance of certain programs and services at the Boise Interagency Fire Center and a means for sharing of costs and manpower associated with these activities.

## III. AUTHORITY

1. Protection Act of 1922 (16 U.S.C. 594)
2. Economy Act of June 30, 1932 (as amended (31 U.S.C. 686)).
3. Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).
4. NPS Organic Act of August 1916 (16 U.S.C. 1).

## IV. OBJECTIVES

1. Interagency programs and services developed through coordination and cooperation.
2. Effective use of interagency programs and services by cooperating agencies.
3. Equitable cost sharing of interagency programs and services.

## V. SCOPE OF AGREEMENT

1. Certain activities within the following programs and services are interagency in nature and will be considered in this agreement:

    - Aviation Support (Retardant, Transport, Infrared, Helicopters).
    - Aviation Application and Development.
    - Logistics Support Operations.
    - Warehouse Operations.
    - Radio Cache.
    - Training Course Development.
    - Technology Transfer.
    - Field Assistance.
    - Automated Lightning Detection Units.
    - Fire Information.
    - Automated Fire Systems.

2. Parties to this agreement recognize the Forest Service (FS) and National Weather Service (NWS) are also participating agencies at the Fire Center. The Forest Service is an interagency cooperator in the Logistic Support and Warehouse Operations, Training Course Development and Fire Information activities. As such, the Forest Service provides support for portions of these programs. The remaining support of each program is to be shared by the parties to this agreement.

3. In addition to the identified interagency programs and services, all agencies at the Fire Center have facilities, functions, and services which are maintained and conducted primarily to meet respective agency missions. These facilities, functions, and

services are available to other Fire Center cooperating agencies on a reimbursable or cooperative mutual assistance basis.

4. Cost sharing between parties of this agreement will be determined on a "fair share" basis. Fair share as used in this agreement is the amount of funding and resources each party has cooperatively determined it can program, plan, budget, and obligate in order to meet overall objectives of the Fire Center in providing for a safe, efficient interagency approach to wildfire management. Cooperative programs and services will be planned at the level provided for by available cost shared funds. Funds and resources as used in this agreement includes regularly appropriated funds (not emergency) and/or authorized full time or part time positions.

## VI. PROCEDURES

1. The Bureau of Land Management agrees to:

   A. Provide for and make available to the other parties to this agreement the following programs and services to the extent provided for under Part VI 3 of this agreement.

      (2) Aviation application and development
      (3) Logistics support operations
      (4) Warehouse operations
      (5) Radio Cache
      (6) Training Course Development
      (7) Technology Transfer
      (8) Field Assistance
      (9) Automated Lightning Detection Units
      (10) Fire Information
      (11) Automated Fire Systems

   B. Provide utilities, facility maintenance, space, and related administrative services on an equitable basis.

   C. Provide annually, based on available manpower and/or funds, for the identified interagency programs and services, except for those portions of programs and services which are covered under separate agreements and for which costs and positions are provided for by the Forest Service and National Weather Service.

2. The Bureau of Indian Affairs, National Park Service, and Fish and Wildlife Service agree to:

   Jointly support the above identified interagency programs and services to the extent provided for under Part VI 3 of this agreement.

3. All parties to the agreement agree:

   A. The above interagency programs and services will be share-funded beginning in Fiscal year 1984. Funding will be as follows.

      (1) BLM will provide funding and/or manpower to the above interagency programs and services at a level necessary to meet its own activity needs. (Approximately 60 percent of total program costs.)

      (2) BIA, NPS, and FWS will provide funding and/or manpower support for the difference between the total program cost and the BLM (single agency) operation cost. The

amount (estimated to be approximately 40% of the total) will be allocated as follows:

BIA 50%
NPS 37½%
FWS 12½%

B. At the beginning of each budget cycle but not later than December 1, a program plan will be prepared for the next (22 months hence) budget year for interagency programs and services. The plan will outline interagency program and service levels and shared funding by agency. The composite Fire Center program plan will contain information and data required by respective agencies in their programming, planning, and budgeting systems. It is intended for this plan to be used by respective agencies in preparation of upcoming fiscal year allocations to their staffs at the Boise Interagency Fire Center.

C. A systematic five-year analysis of interagency programs and services will be conducted beginning in 1982 to determine if the above cost share formula should be modified or changed after 1987.

D. Each year within Department and Bureau's budget cycles and schedules, parties to this agreement will allocate funds in response to an annual plan for the Fire Center. The Fire Center Directorate will then prepare an annual operating plan compatible with the approved budget and manpower allocations of each agency.

E. Administrative costs, in excess of interagency program levels, will be identified for programs or services provided to any parties to this agreement and will be charged against the benefiting party.

VII. GENERAL PROVISIONS

1. Nothing in this agreement shall require the parties to spend or commit funds in excess of their approved budgets.

2. Changes or modifications of this agreement may be initiated by any signatory party. The changes or modifications shall not be incorporated until all parties agree, be in the form of an ammendment to the agreement, and signed by all parties.

3. This agreement becomes effective when signed by all parties. Any signatory party may terminate this agreement upon 180 day's notice, in writing, to all other signatory parties. Remaining signatory parties may continue the provisions of this agreement with reapportionment of cost sharing allocations.

Gerald E. [illegible]
Director, Bureau of Land Management
Date FEB 2[illegible] 1982

John W. [illegible]
Deputy Assistant Secretary - Indian Affairs
(Operatio
Date MAR 10 1982

[illegible] J. Hutchison
irector, National Park Service
ate APR 5 1982

Acting F. Eugene Hester
Director, U.S. Fish and Wildlife Service
Date 12 APR 1982

## Peregrine Falcon Recovery Program

Question: Could you provide a summary of NPS funding and a description of NPS efforts in the peregrine falcon recovery program?

Answer: A significant number of the known historic nest sites of peregrine falcons occur on National Park Service lands, particularly in the Rocky Mountain and Pacific Coast states. It has recently been estimated that over half of the existing eyries are located on National Park Service lands. For example, the only known existing eyries in the Sierra Nevada are two sites within Yosemite National Park.

The National Park Service has played an active role in surveying for, monitoring of and research on peregrine falcon populations in addition to recovery efforts directly. Two National Park Service personnel are on USFWS recovery teams and the NPS has entered into a number of cooperative recovery efforts with the USFWS, the Peregrine Fund, and state wildlife agencies.

The National Park Service is not in a position to give a clear and concise summary of funding and activities due to the fact that funding for this effort has come from many sources and through various accounts (e.g, salary, research contracts, interagency agreements, etc.). From 1977 to 1982 almost 100 peregrines have been released in six National Park areas. In 1983 it is planned to have reintroduction activities in 10 park areas. Surveys, monitoring, research, and plans for hacking will continue in many others. It is estimated that Service funding (including salaries) has amounted to $45,000 to $50,000 per year over the past five years, with the most active regions being Rocky Mountain, Western, and Southwestern.

The National Park Service recognizes the importance of the fact that the peregrine falcon populations rely on a wide range of habitats and nesting sites, only some of which exist on park lands, and that a national effort is called for to ensure the species' recovery and well being. The Service further recognizes the need for maintaining the momentum and continuity of the recovery program. Because of these concerns we have recently undertaken an evaluation of our national coordination efforts with regard to nationally distributed specially legislated species like the peregrine falcon. We are planning to work out a mechanism whereby we can more fully document our participation in the peregrine falcon recovery effort, develop more effective cooperation with other agencies, and develop a more efficient method of national coordination in our funding, research, monitoring, and recovery activities.

## Erosion Control at Redwood National Park

Question: Provide a summary of erosion control activities at Redwood National Park, including acres, methods, costs, EIS requirements, etc.

Answer: A summary report of the Watershed Rehabilitation Program at Redwood National Park follows:

### Introduction:

Watershed rehabilitation of Redwood National Park's logged-over terrain was authorized by Public Law 95-250, 1978 Park Expansion Act, for the purpose of curtailing destructive erosion and preventing adverse effects to superlative stands of old growth redwoods. The act authorized $33 million for rehabilitation work for treating 30,000 acres of highly disturbed land.

### Status:

To date 6,000 acres of cutover redwood forest have been treated. Treatment includes: restoring natural drainage patterns; restoring aquatic systems; removing logging roads and tractor trails; reshaping the land to its natural contour; and revegetating scars with native trees and shrubs.

Methods:

Staff geologists map priority rehabilitation sites and prescribe treatments which are implemented during summer months using heavy equipment and labor crews. Heavy equipment i.e., bulldozers, excavators, cranes, backhoes, etc., are procured under rental contract from local contractors. Revegetation prescriptions are prescribed and implemented by staff ecologist. Labor support crews are locally hired (displaced forest workers receiving preference) and some work such as tree planting is contracted. Also under cooperative agreement authorized in Public Law 95-250, Redwoods United, Inc., a handicapped employer, performs a day labor as necessary.

Cost:

Operation of National Park System budgets for Watershed Rehabilitation which consists of technical services plus on-site manipulations are as follows:

| | |
|---|---|
| Fiscal 1979 | $ 224,000 |
| Fiscal 1980 | 2,675,300 |
| Fiscal 1981 | 2,011,700 |
| Fiscal 1982 | 1,887,000 |
| Fiscal 1983 | 1,980,000 |
| Fiscal 1984 | 2,088,100 |
| Total | 10,866,100 |

EIS Requirements:

Environmental compliance for watershed rehabilitation project work is essentially complete. An environmental assessment with a finding of no significant impact was approved March 5, 1981. A staff archaeologist surveys and clears all actions prior to implementation and monitors sites as work progresses.

Program Ahead:

If current funding level is maintained, the major physical restoration of Redwood Creek basin will be completed by 1992. All roads will have been removed and the most serious erosional problems will have been treated.

## Gypsy Moth

Question: What has been National Park Service experience with the gypsy moth?

Answer: Since the gypsy moth escaped captivity near Boston, Massachusetts, in 1869, various units of the National Park Service have experienced varying levels of gypsy moth infestation as the animal expands its range. National Park Service policy in dealing with the gypsy moth has been to allow the insect outbreak to run its course in natural zones of the parks, relying upon natural controls to eventually bring the moth under control. In developed or historic zones the Service has allowed the use of microbial and pheromonal controls, e.g. Bacillus thuringiensis, nuclear polyhedrosis virus, and/or disparlure, to protect significant resources.

Question: Has it funded any research or pilot program development? If so, please describe.

Answer: The National Park Service has funded one research project to date. This project is funded at $10,000 and will be completed about July, 1983. The research being conducted in Catoctin Mountain Park, Delaware Water Gap National Recreation Area, and Gettysburg National Military Park is to examine methods and procedures to enhance parasitism of the moth by various parasites. In 1982 and 1983, the National Park Service received $248,950 in U.S. Forest Service, Forest Insect and Disease funds. These funds have been used to initiate surveillance and suppression programs for gypsy moth at Catoctin Mountain Park, Gettysburg National Military Park, and Morristown National Historical Park.

### Cape Hatteras National Seashore

Question: Please provide a status report on the efforts to preserve/protect the Museum of the Sea at Cape Hatteras National Seashore and a status report on reopening the walkway around the top of the lighthouse.

Answer: A cultural resources preservation team visited the Museum of the Sea the week of March 1, and investigated the problem areas. This team is preparing a technical report of the existing conditions and will make recommendations for resolving the problems. The park will do the project with day labor. The project is expected to be underway in 30 days. The work will include weatherproofing and controlling the water runoff from the roof to prevent the moisture accumulation around the base of the structure.

An architectural and engineering firm has been contacted to develop plans and specifications for stabilizing the walkway around the top of the lighthouse. Funds from fiscal 1983 have been identified for this phase of the project. The actual stabilization work will be funded from fiscal 1984 money. Once the work has been completed, the walkway will be reopened to the public.

### Wolf Trap Farm Park

Question: Please provide a status report on Wolf Trap reconstruction. How much matching money has been raised to date? Please provide an income and expense for the Wolf Trap gala at the Capital Centre.

Answer: Reconstruction of the Filene Center began in December 1982 with phase I of the Wolf Trap Foundation contract which accomplished preliminary demolition, foundation and site preparation. Phase II of the Foundation's contract was awarded on January 31, 1983, to G&C Construction Company, Inc., in the amount of $12,725,000 for construction of the main structure. Additional contracts for approximately $3.5 million will be awarded to provide stage equipment, elevator and lift machinery, sound control booth and system, follow/spot booth and lighting system, stage lighting and lighting control system, landscaping and site lighting system, orchestra shell and water loop for additional fire protection. In addition, the Park Service agreed with the Foundation's proposal to use grant funds for construction of an additional 15-foot high section on top of the original 25 foot sound barrier wall being constructed along the Dulles Toll Road. The State of Virginia has agreed to pay 5/8's of the total construction costs of the wall and the Foundation will pay 3/8's. The estimated cost to the Foundation for construction of the wall is $542,000.

The Foundation has raised over $3.2 million towards the loan. The Wolf Trap Foundation had total responsibility for the fund raising gala held at the Capital Centre. Income and expense statements for the gala have not been provided to the National Park Service by the Foundation.

### National Council for the Traditional Arts

Question: Please provide a status report on the reimbursement of the FY 1982 Expenses of the National Council for the Traditional Arts, as provided for in the FY 1983 Bill and reports.

Answer: The National Park Service intends to provide $50,000 to the National Council for the Traditional Arts (NCTA) for the services to be performed by the Council during fiscal 1983. In addition, the Service is examining what options are available to reimburse the NCTA for services provided during fiscal 1982. The Service has requested the opinion of the Office of the Solicitor as to its legal ability to pay the prior year costs with prior year funds.

### Ellis Island

Question: Please provide a status report on the efforts to rehabilitate and convert Ellis Island into an income-generating facility. What is your best estimate at this time of a schedule and of needed Park Service funding? Please provide as much detail as possible.

Answer: In December of 1981 the Park Service issued a Request for Proposals to lease a number of historic structures on Ellis Island. Some 15 proposals were received and the three best were selected by a Federal Advisory Commission created for that purpose for further consideration. All three proposed a conference center/hotel in association with National Park Service development of the Great Hall and an independent real estate appraisal contracted for by National Park Service confirmed that such a use "comes closest to fulfilling the aims of the Park Service."

In the spring of 1982 the Park Service proposed the creation of another Federal Advisory Commission to assist in the fund raising for the rest of Ellis Island and the Statue of Liberty. This group was announced by the White House in May as the Statue of Liberty-Ellis Island Centennial Commission with the mission of coordinating the private sector effort of at least six other groups already working with the National Park Service on this project. Chrysler Chairman Lee Iacocca was selected as Chairman of the new commission.

A finalist in the leasing program has recently been designated as developer for a certain portion of the island contingent on their producing an acceptable financial and development plan within 90 days. It is anticipated that all other funds required by the Park Service for the redevelopment of the Great Hall and the remainder of Ellis will be supplied in a timely fashion by the Statue of Liberty-Ellis Island Foundation.

### Pennsylvania Avenue Development Corporation

Question: Have there been any negotiations with the Pennsylvania Avenue Development Corporation regarding long-term NPS administration of PADC created parks?

Answer: After extensive negotiations between the National Park Service, D.C. Government and PADC, a tentative agreement was reached on November 7, 1979, whereby the D.C. Government would manage and have jurisdiction over all streets between curbs including Pennsylvania Avenue, and the National Park Service/National Capital Region would have jurisdiction of the areas from curbs to building lines (the "Public Improvement Areas" designated by PADC). The Corporation has also proposed that a cooperative maintenance agreement be entered into between itself, GSA, and NPS under U.S. Code 31, paragraph 686 (1976) renewable on an annual basis. Approval by NPS and PADC of a long-term maintenance agreement for these areas is pending the enactment of legislation providing specific jurisdiction for these areas to NPS.

### Administrative Provisions

Question: You have requested authority to use helicopters and motorized equipment at Death Valley for the removal of feral burros and horses. Please describe the problem being experienced and provide a justification for this proposal.

Answer: The removal of burros is necessary because this exotic species is destroying the habitat necessary for the perpetuation of native species at Death Valley National Monument. The park staff predicts it will require $3 million over 3 years using conventional means to remove 80 percent of the 3,500 burros in Death Valley. The use of helicopters would reduce this to around $600,000 and approach 100 percent removal of the burro population. Portions of the 2 million-acre park are inaccessible to horse and rider. The Bureau of Land Management, in similar terrain, has not had any successful burro removal programs where a helicopter was not used.

### Mountaineering Ranger Corps

Question: Does the Park Service have a mountaineering ranger corps? If so, please provide a complete justification, including costs and personnel by park. Does the Service use these rangers for rescue operations and safety education programs? Does the Service have cooperating associations involved in educational and rescue operations? If so, provide examples. Provide a history of funding for these rangers for the past 10 years. Are there any in Alaska? Has the Service been approached by Alaskan mountaineering guides to provide services?

Answer: The National Park Service does not maintain a distinct mountaineering ranger corps, and it is therefore not possible to provide data on costs and personnel by park. In parks where mountain climbing occurs, the development of climbing skills becomes part of a ranger's search and rescue duties. Generally training and practice are provided in progressive stages by more experienced personnel. Each team member in a mountain rescue operation performs a specific function; as the members become more practiced and experienced in climbing they assume more complex and difficult roles.

The National Park Service does not use what we traditionally consider 'cooperating associations' in mountaineering activites. There are other organizations, agencies and individuals, however, with which the Service cooperates. The Park Service regularly shares information with the National Association for Search and Rescue (NASAR), for example, in an effort to maintain a high level of rescue skills and knowledge in and out of the National Park Service. We also participate in the Federal Interagency Committee for Search and Rescue (ICSAR), through whose services the excellent assistance of military aircraft, particularly helicopters, is frequently and readily available.

At the park level, local and private search and rescue entities frequently assist the National Park Service voluntarily. These humanitarian services represent a long and honorable tradition of volunteerism in the United States, that generally does not require formal cooperative agreements. Last year the value of services contributed amounted to about 25 percent of the total cost of NPS search and rescue operations. Separate cost information on mountain search and rescue operations is not kept. Generally it can be said mountaineering operations are much less frequent than air crashes, drownings, lost persons, sudden illnesses and miscellaneous accidents that represent other search and rescue activities. At the same time mountain rescues are usually more costly and frequently require outside assistance.

In Alaska we have an employee at Denali National Park who is referred to as a mountain ranger. About half this ranger's time is spent supervising climbing and rescue activities on Mount McKinley.

Regarding Alaskan mountaineering guides providing services, several Alaska-based, concession guide services operating on Mount McKinley frequently assist the Park Service in search and rescue operations. Guiding parties on the mountain places the guide operators in a prime position to locate or assist distressed climbers in simpler operations. If full scale searches or air evacuation is required, the Park Service elevates the operation to include military aircraft and/or volunteer climbers selected according to skill, competence and reliability.

The costs of search and rescue activities for the last 10 years is as follows:

SEARCH AND RESCUE OPERATIONS 1972-1982

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NPS Programmed (regular ranger time) | 36,885 | 62,339 | 209,480 | 275,618 | 65,670 | 88,905 | 117,729 | 139,636 | 147,098 | 166,473 | 177,910 |
| NPS Not Programmed (overtime, equip., etc.) | 87,125 | 147,790 | 488,787 | 643,110 | 242,626 | 212,917 | 204,337 | 216,393 | 353,545 | 450,416 | 726,936 |
| NPS Total | 124,010 | 211,129 | 697,267 | 918,728 | 308,296 | 301,822 | 322,066 | 356,029 | 500,643 | 616,889 | 904,846 |
| Costs Paid by Other Agencies or Persons | 374,174 | 213,129 | 233,756 | 129,268 | 230,419 | 309,609 | 325,043 | 448,630 | 579,603 | 513,471 | 654,268 |
| Total | 498,184 | 424,258 | 931,023 | 1,047,996 | 538,715 | 611,431 | 647,109 | 804,659 | 1,080,246 | 1,130,360 | 1,559,114* |

*figures for 1982 are preliminary

National Park Service Reorganization

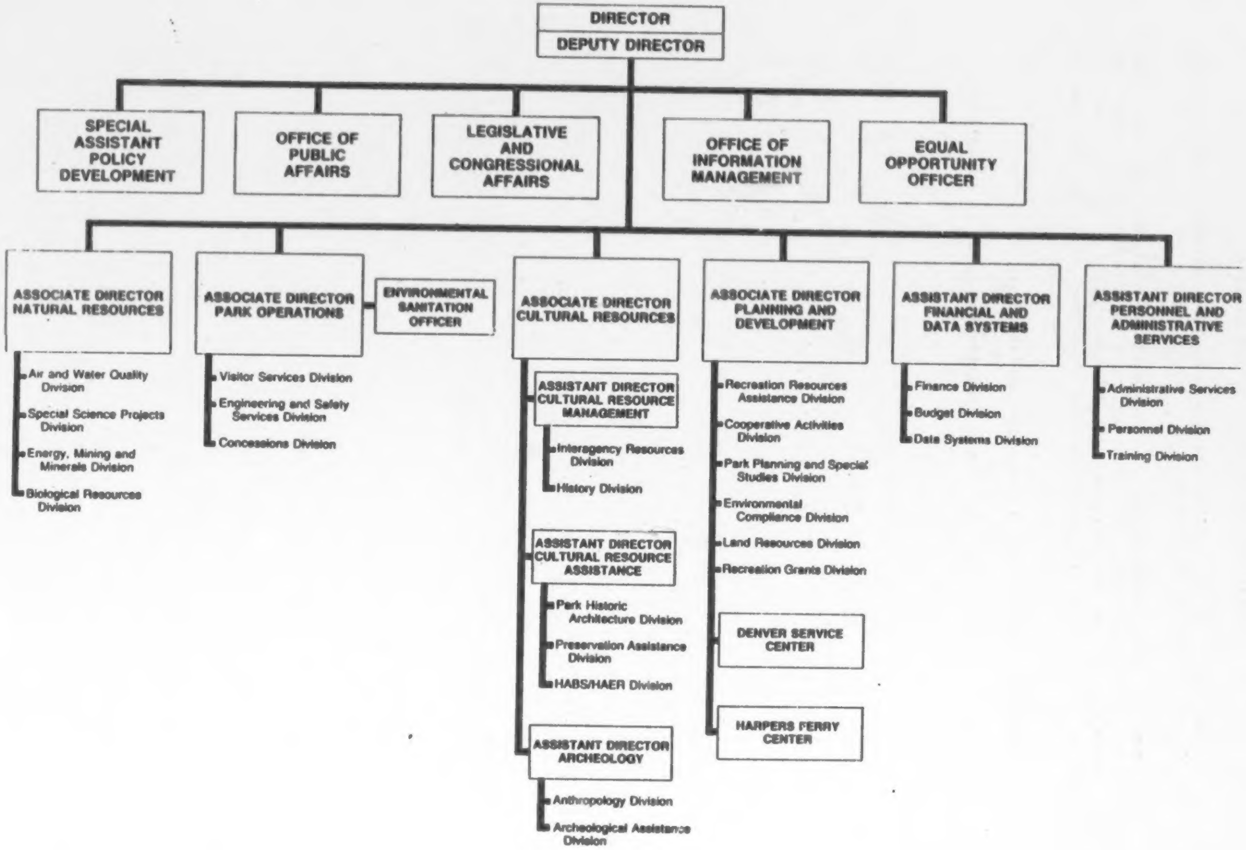
Question: What is the status of the National Park Service reorganization currently underway?

Answer: The reorganization of the National Park Service Washington Office has been completed. The Assistant Secretary for Policy, Budget and Administration signed the proposal on February 25. We are now in the process of implementing the reorganization and expect it to be in effect by March 21.

Question: Do you have a new organization chart for review?

Answer: National Park Service's organization chart is as follows:

## NATIONAL PARK SERVICE


DIRECTOR
DEPUTY DIRECTOR
SPECIAL ASSISTANT POLICY DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
LEGISLATIVE AND CONGRESSIONAL AFFAIRS
OFFICE OF INFORMATION MANAGEMENT
EQUAL OPPORTUNITY OFFICER
ASSOCIATE DIRECTOR NATURAL RESOURCES
Air and Water Quality Division
Special Science Projects Division
Energy, Mining and Minerals Division
Biological Resources Division
ASSOCIATE DIRECTOR PARK OPERATIONS
ENVIRONMENTAL SANITATION OFFICER
Visitor Services Division
Engineering and Safety Services Division
Concessions Division
ASSOCIATE DIRECTOR CULTURAL RESOURCES
ASSISTANT DIRECTOR CULTURAL RESOURCE MANAGEMENT
Interagency Resources Division
History Division
ASSISTANT DIRECTOR CULTURAL RESOURCE ASSISTANCE
Park Historic Architecture Division
Preservation Assistance Division
HABS/HAER Division
ASSISTANT DIRECTOR ARCHEOLOGY
Anthropology Division
Archeological Assistance Division
ASSOCIATE DIRECTOR PLANNING AND DEVELOPMENT
Recreation Resources Assistance Division
Cooperative Activities Division
Park Planning and Special Studies Division
Environmental Compliance Division
Land Resources Division
Recreation Grants Division
DENVER SERVICE CENTER
HARPERS FERRY CENTER
ASSISTANT DIRECTOR FINANCIAL AND DATA SYSTEMS
Finance Division
Budget Division
Data Systems Division
ASSISTANT DIRECTOR PERSONNEL AND ADMINISTRATIVE SERVICES
Administrative Services Division
Personnel Division
Training Division

Question: What is the purpose of such a reorganization?

Answer: Basically, the new organization will result in a better balanced and more integrated arrangement of National Park Service functions. We will be consolidating a number of similar-type functions and expect to achieve greater efficiency in the way we accomplish the responsibilities of the Washington Office.

### Preservation of Monuments and Landmarks

Question: Please provide a complete list and cost of science projects concerning the preservation of monuments and landmarks suffering from weathering, acid rain, etc.

Answer: Science projects concerning the preservation of monuments and landmarks suffering from weathering, acid, etc., are as follows:

PRESERVATION OF MONUMENTS AND LANDMARKS — ACID PRECIPITATION RESEARCH FUND

| PROJECT TITLE | FY 1983 ($000) | FY 1984 ($000) |
|---|---|---|
| 1. Development of masonry deterioration measurement techniques. | 130 | 60 |
| 2. Methods development of monitoring materials degradation in buildings, statues, and monuments. Prototype at Mesa Verde NP; other sites will be added to form a network. | 75 | 75 |
| 3. Air quality histories using historic lead-based paint chips as a record of air pollution. | 30 | 50 |
| 4. Evaluation of 20 year exposures of bronze plaques and surveyors' benchmarks for materials degradation. | 10 | 35 |
| 5. Damage functions using data from industrial materials exposure test sites. | 90 | 90 |
| 6. Field exposure testing of masonry and metal samples. | 45 | 25 |
| 7. Field evaluation of protective treatments for masonry buildings. | 25 | 20 |
| 8. Chamber exposure testing of protective treatments for masonry and metal samples. | 40 | 40 |
| 9. Identification of historic stone sources (quarries) and testing for atmospheric degradation effects. | 25 | 50 |
| 10. Distribution of cultural property by material for assessment purposes. | 15 | 50 |
| 11. Inventory of common construction materials using historical records and demographics. | 20 | 140 |
| 12. Cost-analysis of preservation requirements for Federal buildings and statuary from historical records. | 15 | 65 |
| 13. Material effects program coordination | 29 | 40 |
| TOTAL | $ 549 | $ 740 |

## 1. MATERIALS DAMAGE MEASUREMENT METHODS DEVELOPMENT

Measuring damage to cultural resources that can be attributed to acid precipitation is hampered by the lack of commercially available in situ non-destructive methods that are accurate enough to measure small amounts of material deterioration.

Given sensitive methods, we will be able to measure deterioration precisely. Measurements of environmental variables made in tandem with accurate measures of resource deterioration will provide NPS with the data necessary to assess the effects of acid deposition on the historic structures and monuments in its custody. The alternative is to use existing methods over a 20-50 year period.

Funding to refine existing techniques and to develop and field test new methods is high priority in the early phase of the NPS Acid Rain Effects on Cultural Resources research program. Funding drops off in FY 84 and will be curtailed when adequate measurement methods are developed, likely in FY 86 or FY 87.

This work is being done in cooperation with specialists at the U. S. Geological Survey, Argonne National Laboratory, and the National Bureau of Standards. The methods developed will be applicable to many NPS projects, specifically: NPS # 2, NPS # 4, NPS # 6, NPS # 7, NPS # 8, and generally to the preservation of historic structures and monuments.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 130K | $ 60K |

## 2. RESOURCE SPECIFIC MONITORING: METHODS DEVELOPMENT

Diagnosis of actual causes of materials deterioration is the practical application of results of field, lab, and retrospective damage function research. As a prototype, deterioration of prehistoric structures at Mesa Verde National Park, Colorado, will be measured in parallel with environmental parameters. NADP parameters will be supplemented by measures of gaseous concentrations, particulate composition, and temperature and moisture cycles. The specific objectives are to characterize and quantify materials deterioration rates as a function of exposure to $SO_x$, $NO_x$, and precipitation pH. Factors influencing exposure, such as structural shielding and microclimate, will be investigated.

When field measuring techniques have been refined, a network of additional sites will be established. One additional site per year will be added at current funding levels. Once established, a site must remain operational for a minimum of 10 years in order to assess seasonal, annual, and cummulative effects on deterioration of resources. Monitoring sites established under this program will be continued using operational funds and remain a part of NPS resource management methods, as included in park RMP's.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 50K | $ 75K | $ 75K |

## 3. AIR QUALITY HISTORIES - HISTORIC LEAD PAINT CHIPS AS POLLUTION ARCHAEOLOGY

Success of the retrospective studies of material damage requires estimates of past pollution levels. Since air pollution was not usually monitored prior to 1960, these levels must be inferred from other sources of data. Estimates of pollution levels calculated from historical records of fuel consumption, such as home heating, industries, and vehicles, are being attempted by other agencies.

The NPS is attempting to develop means to verify these estimates using stratified lead paint chips. Methods to measure levels of atmospheric sulfur deposited on painted surfaces and trapped between repaintings are being investigated. If measuring sulfur levels in lead paint layers proves feasible, then a field study collecting paint samples from dated structures nationwide will begin in FY 84. The levels measured in lead paint chips can then be used to verify deposition levels calculated from emissions inventories, to refine regional scale estimates of sulfur depositions, and to estimate the air quality history in specific parks at 10 year intervals.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 16K | $ 30K | $ 50K |

## 4. RETROSPECTIVE STUDY OF BRONZE DETERIORATION

Statuary bronze is highly resistant to weathering and corrosion can not be assessed in short term exposure studies. Bronze markers, such as National Historic Landmark plaques and U. S. Geological Survey and U. S. Geodetic Survey surveyors' benchmarks, will be used as surrogates for controlled field exposure samples. Manufactured to standard specifications and distributed nationwide beginning in the 1930's in a wide variety of exposure conditions and pollution regimes, these markers have been weathering for up to 50 years.

A field measurement campaign is being undertaken to measure the current condition of the bronze markers. Measurements of surface corrosion will be made using a mylar replica strip method and relative depth of inscriptions using sensitive depth gauges. Measured conditions will be compared to the original specifications to determine the cummulative corrosion over the known exposure period of the marker.

Corrosion rates of the bronze markers will be correlated with estimates of the local air quality history and climate variables, to provide a rough estimate of the increment of bronze corrosion that can be attributed to acid deposition. These estimates can then be applied with caution to the corrosion of bronze statuary.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 50K | $ 10K | $ 35K |

## 5. DAMAGE FUNCTIONS BASED ON MATERIALS PERFORMANCE DATA FROM ASTM SOURCES

Commercial material exposure test sites have been used to assess the relative performance of materials for many years. However, as a general rule, climate and pollution variables were not recorded in this work.

The existing corrosion and material performance data are being collected. Weather and pollution data are also being collected. Gaps in the record of pollution levels at the specific ASTM/industry sponsored test sites will be reconstructed as necessary in a cooperative effort with EPA/Material Effects Task Group members.

These two data sets will be correlated to determine the increment of corrosion and materials deterioration that can be attributed to acid deposition. These estimates will be used as preliminary damage functions for assessment purposes until more definitive damage functions based on controlled field and laboratory exposures can be developed.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 25K | $ 90K | $ 90K |

## 6. FIELD EXPOSURE TESTING OF MONUMENTAL MATERIALS

Field exposure testing to rigorous ASTM and other research standards is the preferred method of developing definitive damage functions for materials. EPA, in conjunction with the Bureau of Mines, is sponsoring field exposure testing of common construction materials at 4 sites in the North East.

NPS is sponsoring controlled field exposure testing of materials of cultural interest; marble, limestone, and statuary bronze alloys, at the same locations. Over a period of 5 - 10 years, scientifically derived damage functions will be available for these materials. These damage functions provide the technical basis for making assessments, for developing protective strategies, and for making responsible cultural resource management decisions.

The costs of environmental monitoring are born by the EPA/BOM project. The NPS investment in FY 83 is for capital costs of establishing exposure sites: purchase of material samples, exposure racks, etc. Funding in FY 84 and beyond is for routine analytical costs only.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 45K | $ 25K |

7. FIELD EVALUATION OF PROTECTIVE TREATMENTS FOR MASONRY

The Census of Treated Masonry Buildings is an ongoing NPS project that is partially funded by Acid Rain research money. The purpose of the project is to document and evaluate the actual performance of protective masonry treatments in the field. Treated masonry buildings are selected and a detailed description of the condition, with photographs, is made. Follow-up inspections are made on a routine basis to evaluate the performance of the treatments over time.

Acid Rain funding is used to provide baseline documentation of structures with similar treatments in paired environments; clean/dirty. The environmental variables can then be associated with potential differences in the behavior of the protective treatments, such as discoloration, spalling, and life span.

This project provides field verification of performance of coatings predicted in Chamber Tests of Protective Treatments (Task Group Code VII-2, NPS # 8).

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 28K | $ 25K | $ 20K |

8. CHAMBER TESTS OF PROTECTIVE TREATMENTS

Possible strategies to mitigate the effect of acid deposition on historic structures and monument include application of protective coatings. The purpose of this project is to evaluate the effectiveness of proposed treatments under exposure conditions simulated in the laboratory. Evaluation of of the performance and possible side effects to be expected under actual exposure conditions is a critical first step prior to application of proposed treatments to non-renewable cultural resources.

In accelerated weathering chambers, both coated and uncoated samples of marble, limestone, and bronze are exposed to the temperature and moisture cycles. Known concentrations of gaseous pollutants are injected into the chamber to simulate the range of environmental conditions. The performance of the coated and uncoated samples are evaluated and compared. Estimates of the benefits of treatment(s) application will be made.

It should be noted that accelerated weathering tests are subject to uncertainty, due to the harsh environments that must be created to achieve a measurable effect in a normal chamber test cycle. As such, results of laboratory simulations are considered interim until confirmed by field exposure tests, and by monitoring performance of applied coatings under actual exposure conditions in specific structures. This project goes hand in hand with Field Evaluation of Protective Treatments (Task Group Code VII-1, NPS # 7).

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 40K | $ 40K |

## 9. SOURCES OF MASONRY MATERIALS

The response of sculptured and dimension stone to acid precipitation is quarry specific. The purpose of this project is to determine the quantities and location of carved stone exposed to acid precipitation in the U. S. as a function of its source quarry.

Records of the stone industry in the United States will be searched from the 1880's to the 1980's. Quarries producing significant amounts of cut stone in the last century will be targeted for a closer analysis of the chemical and mineralogical composition of the stones. Relative susceptibilities to acid deposition of these stones will be estimated based on their compositional character, and verified in the field exposure program (Task Group Code - III - 2, NPS # 6) in cooperation with U. S. Geological Survey.

Additionally, using locational analysis, transportation histories, and other industry records, an attempt will be made to delineate cities and regions with quantities of cut stone structures and monuments susceptible to negative effects of acid deposition.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 25K | $ 50K |

## 10. DISTRIBUTION OF CULTURAL PROPERTY

The geographic distribution of cultural monuments and historic structures is a significant data set required for assessment purposes. The purpose of this project is to develop a data set describing the location, construction material, and significance level of properties important to the cultural heritage of the United States.

Inventories with the required information are readily available for cultural resources managed by the NPS. Inventories of cultural properties managed by other federal agencies require search of manual file systems.

Inventories of cultural properties in private hands will be based on the records of the National Register for Historic Places. The National Register has been in the inventory of cultural property business for 15 years, since the enactment of the Historic Preservation Act of 1966. Analysis of this data base for acid precipitation assessment purposes will be made. In addition, extrapolations of the National Register data base will be made in comparison with selected state and local cultural inventories.

The project will result in a map of cultural properties of each major classification of material; specifically, marble, bronze, brick, frame, and adobe.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 15K | $ 50K |

## 11. SPATIAL ANALYSIS OF MATERIAL USE

Quantification of common construction materials exposed to acid deposition is less straightforward than inventories of cultural properties. There is no equivalent of the National Register of Historic Places or agency inventories to build upon.

Using historical records and demographic analytical methods, internally consistent regions will be delineated within the U. S.. Within this framework, a statistically valid spatial model will be developed for sampling critical areas within the North Eastern U. S.. Estimates of exposed materials will be made for each sample area through a structure by structure inspection. Additional samples will be taken using Sanborn Atlas data. An estimate of common construction materials in the North East will be made using a combination of direct measurement and statistical methods.

The inventory for the North East should be completed in 1985. Funding in future years will be used to apply similar methods to inventory other regions of the country in the following order: Midwest, South, West.

This project is being done in conjunction with the U. S. Geological Survey.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 20K | $ 140K |

12. ANALYSIS OF FEDERAL MAINTENANCE AND PRESERVATION COSTS

Three kinds of cost data for cultural resources are necessary inputs to cost-benefit analyses of acid precipitation effects.

First, estimates of the cost to maintain and preserve federally owned historic structures and monuments will be collected and analyzed. These costs are basic to understanding the increment of preservation and maintenance costs that can be attributed to acid rain. These estimates will be based on records from NPS, GSA, and appropriate other agencies.

Second, estimates of the cost of protecting cultural resources and mitigating potential damage due to acid precipitation will be made, based on manufacturers' suggested life cycles and dollar value of currently available coatings and cleaning methods. Evaluation of the reliability of manufacturers' predictions of life cycles, coverage factors, etc., is being undertaken in two related projects (Field evaluation of Protective Treatments for Masonry, NPS # 7, Task Group Code VII-1, and Chamber Tests of Protective Treatments, NPS # 8, Task Group Code VII-2). Later assessments will include refined estimates of protection costs.

Third, estimates of the value of irreplaceable cultural properties are essential components of cost-benefit analyses. Assessments to date have identified this issue, but have not been able to provide estimates suitable for use in cost-benefit models. This is by no means a trivial problem. In cooperation with economists from EPA, National Bureau of Standards, and economists from the private sector, the NPS will address this problem. Data sources may include Federal records of capital investments in public statuary and historic structures, analysis of differential real estate costs as a function of historic designation, donations of historic and scenic easements as recorded by the holding associations and the IRS.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | 0 | $ 15K | $ 65K |

13. PROGRAM COORDINATION - TASK GROUP G

Approximately 5% of the annual NPS Effects on Materials and Cultural Resources Acid Rain Research budget is used for administrative and coordination tasks associated with the efficient operation of the Task Group G - Effects on Materials and Cultural Resources.

Additionally, administrative support is provided to the NPS/Effects on Materials and Cultural Resources Acid Rain Research program.

| FY 81 | FY 82 | FY 83 | FY 84 |
|---|---|---|---|
| 0 | $ 9K | $ 29K | $ 40K |

### Dam Repairs at Longmont, Colorado

Question: What is the status of repair work at Longmont, Colorado's dams above Rocky Mountain National Park?

Answer: The State of Colorado wrote a letter to the city of Longmont on February 7, 1983, requiring corrective action to be taken as follows:

1. Sandbeach Reservoir is restricted to zero storage;

2. Plans and specifications for repair of the three dams must be submitted to the State by August 1, 1983;

3. Construction on repairs must begin on all three dams by the 1984 construction season;

4. A monitoring plan for periodic inspection of these dams to assure restrictions are met and to provide information on any changes in the condition of the dams must be submitted to the State by April 29, 1983;

5. And if items 2 and 4 are not accomplished within the time constraints, the dams may be breached by orders from the State.

The city of Longmont has hired Rocky Mountain Consultants to coordinate with the National Park Service the necessary work and to draw plans and specifications needed for submission to the State within the August 1, 1983, deadline.

### Implementation of the Coastal Barrier Resources Act (CBRA)

Question: Has the Department requested any funds to implement the coastal barriers legislation? If so (or if not), please describe/explain.

Answer: In keeping with the Administration's balanced approach to conservation and fiscal responsibility, the Department determined that existing staff and resources within the National Park Service and the Fish and Wildlife Service would be adequate to accomplish CBRA implementation goals for fiscal 1984.

Expenses other than salary costs, which will be equally absorbed under National Park Service and Fish and Wildlife Service base operations, include approximately $126,000 for study activities pursuant to section 10 of CBRA. These activities include: an inventory of protected coastal barriers along the Atlantic and Gulf Coasts; an inventory of coastal barriers along the Pacific Ocean Coast, Great Lakes, Puerto Rico, and the Trust Territories; case studies of five representative coastal barriers; public information document concerning CBRA; aerial photography; and map preparation.

Ongoing CBRA responsibilities, such as consultation, certification compliance, and maintenance of maps, will be delegated to the Fish and Wildlife Service. Funds for these and other related CBRA activities are expected to be included in the fiscal 1985 budget of the Fish and Wildlife Service.

### Park Restoration and Improvement Program

Question: Prepare a table that illustrates the funding increases provided by Congress in response to the Secretary's park restoration initiative. How much is a result of the FY 1981 Supplemental/Recission bill; FY 82 and FY 83 bills and the FY 84 request. What programs have benefited. Please make it able to track or tie to the $408 million cited on page 339.

Answer: The Park Restoration and Improvement Program was first proposed as part of the fiscal 1982 budget. Funds appropriated by the Congress for that year permitted the Service to significantly expand the construction, cyclic maintenance, repair/rehabilitation, and cultural resources preservation programs. The total of $408.3 million used on page 339 of the National Park Service budget represents the total amount appropriated, both base and increase dollars, for park restoration and improvement activities in fiscal 1982 and 1983. The following table shows a distribution of the funding by benefiting program.

($ in millions)

| Program | FY 1982 Appropriation |  |  | FY 1983 Appropriation |  |  | Grand Total |
|---|---|---|---|---|---|---|---|
|  | Base | Increase | Total | Base | Increase | Total |  |
| Operational Improvements |  |  |  |  |  |  |  |
| Health and Safety Project | -- | 23.8 | 23.8 | -- | 32.0 | 32.0 | 55.8 |
| Cyclic Maintenance | 17.7 | 16.1 | 33.8 | 20.5 | -- | 20.5 | 54.3 |
| Cultural Resources Preservation | 5.2 | 7.2 | 12.4 | 5.4 | 10.0 | 15.4 | 27.8 |
| Natural Resources Preservation | -- | -- | -- | -- | 7.1 | 7.1 | 7.1 |
| Subtotal | 22.9 | 47.1 | 70.0 | 25.9 | 49.1 | 75.0 | 145.0 |
| Capital Improvements | -- | 95.8 | 95.8 | -- | 92.5 | 92.5 | 188.3 |
| Highway Trust Fund | -- | -- | -- | -- | 75.0 | 75.0 | 75.0 |
| Total Funding | 22.9 | 142.9 | 165.8 | 25.9 | 216.6 | 242.5 | 408.3 |

Construction Projects Requiring Authorization

Question: For the two construction projects requiring authorization (Arches National Park and Cape Canaveral National Seashore), please provide justification for projects in advance of authorizations.

Answer: The General Statement which mentions these two areas as parks for which the Service is requesting funds in excess of development ceilings is in error. In the case of Arches, a footnote on the construction justification sheet for package 109, Rehabilitate Headquarters and Devils Garden Utility Systems, states that the legislative development ceiling for Arches includes an escalation clause permitting ceiling increase based upon escalation in construction cost indices. Applying such indices, the development amount remaining in 1982 dollars totals $1,511,524 which is well in excess of the proposed fiscal 1984 construction project.

With respect to a necessary ceiling increase at Cape Canaveral, it happens that the Service's final fiscal 1984 budget justifications does not include any construction at this park. Originally, the Service had planned to request funds for one road construction project at Canaveral. However, subsequent to the passage of the Surface Transportation Assistance Act of 1982, this project was dropped from our budget request to be funded from the $375 million available to the National Park Service from the Highway Trust Fund. Due to an oversight, the reference to Cape Canaveral remained in the General Statement.

Concessioner Contracts

Question: How are concessioner contracts awarded? To the highest bidder?

Answer: Pursuant to the Concessions Policy Act, Public Law 89-249, NPS is authorized to negotiate concession contracts without following the usual Government bidding procedure. Section 5 of Public Law 89-249 states that "The Secretary shall encourage continuity of operation and facilities and services by giving preference in the renewal of contracts or permits and in the negotiation of new contracts or permits to the concessioners who have performed their obligations under prior contracts or permits to the satisfaction of the Secretary". Where a concessioner has earned the right of preference in renewal by its past performance a fact sheet is developed describing the existing satisfactory concessioner's right of preference as well as the material terms and conditions under which the National Park Service proposes to negotiate a new concession contract or permit with the existing satisfactory concessioner. The concessioner with the right of preference is required to submit a proposal along with all others. If, after all proposals are received, a proposal other than that of the existing concessioner is determined to be better, the existing concessioner is given an opportunity to meet the terms and conditions of the better proposal. If the existing concessioner does so and its proposal, as amended, is, in the judgment of the Director, at least substantially equal to the better proposal, the existing concessioner shall be selected for negotiation of the contract or permit. If not, the contract or permit will be negotiated with the party that submitted the better proposal.

Where the National Park Service is seeking a new concessioner where no right of preference exists, the NPS issues a prospectus soliciting proposals from interested parties describing the concession operation to be authorized, the material terms and conditions of the proposed concession contract or permit, and the principal factors to be considered in the evaluation and selection of the best proposal. The principal factors considered in the selection of the best proposal are experience in the industry and related management background of offerors, the offeror's financial capability, and conformance to the terms of the prospectus. Secondary factors include franchise fees offered and other factors as may be specified.

Question: What is the known outstanding balance of possessory interest?

Answer: The obligation of the Government with regard to possessory interest depends on the terms of the contract and the circumstances surrounding the particular concessioner's end of operations. Such obligation can vary from the concessioners' net book value of possessory interest assets to their fair value and will be determined at the actual time of termination. As of the end of 1979, the net book value of concession possessory interest assets was approximately $66 million.

Question: How many audits were prepared by concessions staff in FY 79-82?

Answer: The concessions staff does not perform audits of concessioner financial records. The responsibility for all audits in the National Park Service is with the Department's Office of Inspector General. However, the Service requires all concessioners with annual gross sales in excess of $1 million to submit financial statements which have been audited by an independent certified public accountant. During fiscal 1979-1982, approximately 60 concessioners with sales in excess of $1 million were audited by independent certified public accountants. These 60 concessioners accounted for about 85 percent of the total concessioner sales in the National Park System.

Question: How will the Service use the $500,000 added by Congress in FY 83?

Answer: As previously stated the $500,000 will be directed toward augmenting staff in Washington and regions with emphasis on concessions management improvements.

Pennsylvania Avenue Development Corporation

Question: The PADC is requesting FY 84 funds for operation of three parks (John Marshall Park, Pershing Park and Western Plaza). Has the Service operated those parks in prior years? Shouldn't the Service operate those parks, rather than PADC? What would it cost the Service to operate these parks in FY 84?

Answer: The National Park Service has been maintaining Pershing Park, Western Plaza, and completed sidewalk areas since November 1980, under a memorandum of understanding. John Marshall Park will be completed by April 1983. Congress has appropriated $362,000 to the NPS each year since fiscal 1981 for maintenance and police protection. This was in addition to $176,000 in the NPS base for maintaining areas incorporated into the design of Western Plaza and the reconstructed Pershing Park. PADC has agreed to provide $65,000 to NPS in fiscal 1983 to reimburse the Service for maintenance of John Marshall Park upon its completion.

PADC is of the opinion that NPS "is most appropriate to administer the maintenance of improvements in the public areas as implementation phases are completed" (testimony of PADC before the House Interior Subcommittee on Appropriations with regard to the NPS fiscal 1981 budget). PADC has responsibility for the legislative initiative, and Congress must ultimately resolve the long-term maintenance issue.

No additional funds were budgeted by NPS in fiscal 1984 because the Service does not have jurisdiction for the area. NPS has asked PADC to budget for an increase of $321,700 in fiscal 1984. This will reimburse NPS for increased maintenance costs for completed sites along the avenue including full-year costs for John Marshall Park and partial year costs for Meade Plaza, to be completed in 1984.

United States Park Police

Question: What are the different types of local jurisdictions on park lands and what is the jurisdictional situation for the parks served by USPP (NCR; Gateway; Golden Gate)? What would be involved in changing jurisdiction to permit enforcement by non-USPP?

Answer: Basically, there are three types of jurisdictions on park lands. They are: (1) Exclusive legislative jurisdiction in that the Federal government has exclusive jurisdiction over an area administered by the National Park Service and only Federal laws are applicable within that area and the State can neither define nor punish crimes within such an area; (2) Concurrent legislative jurisdiction in that the Federal and the State governments have concurrent jurisdiction which means that the laws of both governments are applicable within such an area and each government may enforce its laws and try the accused for a violation of its laws without violating the double jeopardy provision of the Fifth Ammendment of the U.S. Constitution; and (3) Proprietary interests which indicates that the United States has obtained only a proprietary interest in the land within a certain area being administered by the National Park Service. The Federal government possesses no legislative jurisdiction in this instance and such jurisdiction remains with the State. Therefore, the laws of the State in which the area is located are applicable throughout the area and the State may enforce laws within that area.

The "jurisdictional situation" in Golden Gate National Recreation Area is both exclusive Federal and proprietary interest only. Those areas transferred as Federal properties are exclusive and those State lands transferred remain with a proprietary interest only. The changing of jurisdiction for those areas of proprietary interest involves a cession of jurisdiction by the State and a specific acceptance by the Federal government. However, to change areas of exclusive jurisdiction to arrange for enforcement by State and local authority could be a very difficult task. The Department of Defense has joint possession of various areas that were military reservations prior to the Golden Gate National Recreation Area. The U.S. Army is still involved under special use permits in certain areas and retains options to parts of the reservations.

The jurisdiction situation at Gateway is not as complex. The National Park Service has concurrent jurisdiction with the State of New York except in one small area that is presently involved in a deed dispute - Great Kills Park in which the National Park Service has only a proprietary interest.

The National Capital Region has all three types of jurisdiction. Inside the District of Columbia, all parks under control of the Service are under exclusive Federal jurisdiction. The situation differs in Maryland and Virginia and can be quite complex according to date acquired, method of acquisition, State law at the time of acquisition, and what procedures were followed upon acquisition. Some examples in Maryland are exclusive Federal at Fort Washington, concurrent jurisdiction on the Suitland Parkway, concurrent and exclusive on the Baltimore Washington Parkway, and a proprietary interest at Piscataway Park.

Jurisdiction is similar in Virginia as most of the George Washington Memorial Parkway is concurrent with the State of Virginia while Fort Hunt Park is under exclusive control of the Federal government.

Because of the jurisdictional complexities in National Capital Region, it is encumbent on all our law enforcement personnel to know what legislative authority exists on park lands. Therefore, all officers are extensively trained to understand what authority is available and what actions can be taken.

To change the jurisdiction to allow for enforcement by other than the National Park Service would be an extremely complex undertaking depending on the aspects of the respective cessions and retrocessions. The most complex issue would be the cession of exclusive Federal property and acceptance by the State.

It should also be mentioned that although it is possible to change jurisdiction to permit enforcement by other than the National Park Service, it is not desirable. Law enforcement plays an integral role in the total management of a park, and the law enforcement program should be guided by policies established by the National Park Service, not by State and local governments.

Congress has also reaffirmed the position that the National Park Service should not relinquish its responsibilities for providing day-to-day law enforcement services in the National Park System. This is specifically stated in "A Report to Accompany H.R. 11877" (P.L. 94-458) from the Honorable James A. Haley, Chairman, House Committee on Interior and Insular Affairs, dated September 16, 1976.

> "The authorities provided to the Secretary to enter into cooperative agreements as provided in this subsection are to bo supplemental to the law enforcement responsibilities of the National Park Service, and are not intended to authorize the delegation of permanent enforcement responsibilities to any State or local agency." (underline added)

Relinquishing the law enforcement responsibility of park areas is inconsistent with the mission and philosophy of the Department of the Interior. This philosophy guides the law enforcement program of the National Park Service throughout the National Park System.

Question: Provide a distribution by Park and region for the FTE involved.

Answer: In the Washington metropolitan area, law enforcement patrol districts are so structured that they overlap the boundaries of the various parks which comprise the National Capital Region, i.e., the Anacostia Substation provides coverage to the Southeast/Southwest Washington, D.C., area as well as Piscataway Park, Prince George's County, Maryland, and etc.

| | FTE (FY 83) Permanent | FTE Other |
|---|---|---|
| National Capital Region | 493 | 12.3 |
| Gateway National Recreation Area North Atlantic Regional Office | 55 | 5.8 |
| Golden Gate National Recreation Area Western Regional Office | 45 | 1.6 |
| | 593 | 19.7 |

Question: What are the USPP capabilities for specialized police functions? For example, does USPP have a crime lab? How much money did USPP collect last year in fines and where does the money go? What is the USPP capability for criminal investigations? Does the USPP have a SWAT team or teams? If so, why and how much does it cost? When was it used over the past five years? Does the USPP have undercover agents?

Answer: In addition to performing all of the duties normally associated with general law enforcement in the National Park System, we do have the capability to perform specialized police functions. Normally, investigative matters requiring forensic attention are referred to the laboratories of the Federal Bureau of Investigation and/or other Federal laboratory facilities. However, the Force does have a van type vehicle which is usually available to respond to the scenes of serious crimes and fatal motor vehicle collisions for the purpose of collecting evidence and forwarding same to the appropriate laboratory.

Our Criminal Investigations Branch is charged with the responsibility of investigating all serious crimes and fatal motor vehicle collisons which occur in National Park Service areas where we have primary jurisdiction including Washington, D.C., Maryland, Virginia, New York and California. In the District of Columbia, however, the Metropolitan Police Department Homicide Division is legally responsible for investigating all deaths requiring police attention.

In the Washington metropolitan area only, the Special Forces Branch of our Operations Division has a unit referred to as the Special Equipment and Tactics Team (SETT). This unit was formed in the middle 1970's to afford the National Park Service the capability of fulfilling its overall mission. During the past 5 years, the team has responded to incidents such as the Langston Golf Course in northeast Washington for a reported sniper with a rifle who was shooting at pedestrians and passing automobiles, and the Washington Monument during several illegal takeovers including the most recent incident on December 8, 1982, which regretably resulted in the death of a subject who allegedly had 1,000 pounds of dynamite in a van. In addition to the above incidents, the team is frequently utilized in concert with U.S. Secret Service requests to provide security for the President of the United States and other protectees when they are potentially exposed to danger and in an area of National Park Service responsibility. Additionally, in the most severe cases, when members of the Force are serving Federal arrest warrants for offenses committed in the parks and the officers have probable cause to believe that they may be met with deadly force, SETT may be activated as a precautionary measure. It should be noted that when the officers who are assigned to this unit are not actually performing SETT related functions, they perform duties specifically related to the basic police function. During Fiscal Year 1983, 17 officers are available to perform the collateral duties of the SETT operation. The Fiscal Year 1983 cost for 17 police officers is $601,000. It is reasonably estimated that 25 percent of these 17 man years is dedicated to the SETT function; therefore, the cost per annum for this function is approximately $150,250.

The National Park Service does not have undercover agents. However, as needs dictate, uniformed officers are periodically assigned to "casual clothes" duties in high crime areas of the parks to combat a particular incident or criminal trend.

With respect to the question concerning the amount of money which the National Park Service collected in fines last year, within the District of Columbia, all fines and forfeitures go to the District of Columbia Treasury through the D.C. Court System. In all other areas, the monies are received by the U.S. Treasury for credit to the general fund. The National Park Service is not involved in the distribution of revenues derived from fines.

Question: What is the future plan for the USPP building in Anacostia Park? When was that funded? Was it authorized? Will all NCR-USPP personnel be relocated there? What will be relocated to that site? How many USPP precincts are there in NCR? Where are they located? Provide a summary for each, listing staffing, rent, utilities, equipment, etc.

Answer: Not all of our law enforcement personnel will be relocated to the Anacostia Operations Facility (AOF) upon completion of the project. Operationally, the Criminal Investigations Branch (CIB) that is now occupying space in the facility will remain. The Anacostia Substation, the Special Forces Branch (SFB), the East District Commander and Field Commanders are also scheduled to occupy areas of AOF when completed. There are additional staff and support services functions that are also scheduled to occupy AOF. They include portions of both the Office of Inspectional Services and the Services Division.

This project is being constructed as part of the Job Corps vocational job skills training program. It was started in 1976 when the Navy vacated a structurally sound permanent building that was constructed on lands made available to the Navy under a 1942 agreement which provided for its return to the Service when no longer needed for defense purposes. Rehabilitation was authorized by the Director of the National Park Service under authority to rehabilitate Service facilities. As part of the Job Corps training program, the cost of materials was essentially borne by the Department of Labor with the exception of rehabilitating and upgrading the utility systems.

Our law enforcement function is performed out of five substations in the National Capital Region staffed with officers who perform foot, cruiser, horsemounted and scooter patrol functions. These five facilities are owned by the National Park Service, and except as noted below, utility costs are paid by the particular park unit in which the facility is located.

The largest substation is the Central Substation located in the Central District at Hains Point adjacent to the East Potomac Park Golf Course. Areas of responsibility include National Capital Parks-Central which are park areas west of the Anacostia River, south and west of Massachusetts Avenue to the Potomac River which includes the White House, most monuments and memorials, the Mall and as far east as Lincoln Park. The substation is staffed by 101 sworn officers and 3 civilians and is assigned 10 cruisers, 15 motorscooters and 10 horses. Electricity costs for this facility are paid by the U.S. Park Police.

The George Washington Memorial Parkway Substation is a part of the West District and is located at Glen Echo, Maryland. Areas of responsibility are the George Washington Memorial Parkway and its environs which include Fort Hunt, the entrance to Mount Vernon, Great Falls, Maryland and Virginia, the C&O Canal, Iwo Jima and others. It is staffed by 47 sworn officers and 1 civilian and is assigned 8 cruisers, 5 motorscooters and 11 horses.

The Rock Creek Park Substation, also part of the West District, is located in the center of Rock Creek Park on Beach Drive. In addition to the park, other areas of responsibility are Meridian Hill Park, Carter Barron Amphitheater and other reservations outside Rock Creek Park. It's staff includes 37 sworn officers and 1 civilian and is assigned 8 cruisers, 5 motorscooters and 6 horses.

The Greenbelt Substation is a part of the East District and is located in Greenbelt Park, Maryland. In addition to the park, other areas of responsibility include the Baltimore-Washington Parkway. It is staffed by 33 sworn officers and 1 civilian and is assigned 8 cruisers and 3 motorscooters. Electricity costs for this facility are paid by the U.S. Park Police.

The Anacostia Substation, also part of the East District, is located in Anacostia Park at the north end of Anacostia Drive. Other than the Anacostia Park, areas of responsibility are Suitland Parkway, the Fort Washington area, Frederick Douglas Home, Fort Dupont, the Oxon Hill Childrens Farm, Ferguson Foundation and Colonial Farm. It's staff includes 43 sworn officers and 2 civilians and is assigned 8 cruisers, 5 motorscooters and 6 horses. Electricity costs for this facility are paid by the U.S. Park Police.

Question: What is the overall solvency status for the USPP pension fund? The FY 84 estimate proposes an increase of $992,900 for pension costs. What is the overall size of the pension fund? Has the pension fund been audited in the past five years? If so, provide copies of the audits. If not, why not?

Answer: The overall solvency status of our U.S. Park Police pension fund is directly linked to whether or not the National Park Service receives full funding for pay increases and our ability to maintain an acceptable lapse rate. Since Fiscal Year 1982, the solvency status has been maintained through redirection of annual operating funds. The Fiscal Year 1984 increase request for pension costs will enable us to meet our pension obligations and to restore operating funds to those areas which have been affected by pay cost absorption requirements in prior years.

Generally speaking, a pension fund as such does not exist for our U.S. Park Police. Unlike the Federal Civil Service Retirement System which is partially funded as benefits accrue, the Park Police system is financed from police employee contributions and our annual operating budget. Basically, we reimburse the District of Columbia each month for the difference between Park Police employee contributions towards retirement and the amount the District actually pays to Force annuitants.

Currently, there are 210 police officers, 71 widows/widowers, and 13 dependent children receiving annuity payments. The Fiscal Year 1982 Federal share costs were $3,198,473 and the anticipated Fiscal Year 1983 direct Federal share costs are estimated to be approximately $3,500,000. However, as the number of officers paying into the pension fund decreases, the Federal share proportionately increases. Conversely, the projected number of anticipated retirees in any one fiscal year will impact the estimated costs should the number of retirees exceed the projected figure.

The Park Police pension system is administered by the District of Columbia. We are unaware of any audit that they may have conducted. However, we do audit each monthly pensioner payroll bill submitted by the District government prior to authorizing payment.

Question: The NPS justifications (page 48) state that you've redirected funds from operating programs to make up pension costs. Why? What programs have been tapped? Why is the lapse rate of 42% used on page 48?

Answer: At the beginning of each fiscal year, the base funding available to the National Park Service for our Park Police is sufficient for operations during that year. However, each of these employees then receives a pay increase. Our pay supplemental appropriation usually provides less than half the amount required to meet increased costs.

Our law enforcement function is labor intensive with over 91 percent of operating costs programmed for personnel services. Therefore, there is little flexibility to absorb pay increases by reducing supplies, materials and equipment. It should also be noted that our Park Police budget includes the full "Federal share" toward pensioner's payroll which will be approximately $3,500,000 this fiscal year. This is an "uncontrollable" cost and is not capable of being reduced.

All members of the Force are full-time permanent career employees, and they have a very low attrition rate. Also, there are very few temporary or career seasonal personnel that we can furlough or terminate early. Although we considered the possibility of a reduction-in-force, this is not a realistic solution inasmuch as we consider our law enforcement function to be operating at a minimum level now and additionally with severance pay, pay retention in down-grade situations, etc., this would clearly not be an economical resolution.

Prior to Fiscal Year 1980, we have had one, and in some cases two recruit classes per year. Since that year, because of inflation and having to absorb some or all of each year's pay increases, no recruits were hired to replace officers who are retired. The inability to hire new officers has reduced the number of police patrols assigned for law enforcement service on a continual basis. This gradual reduction in the strength of the Force has reinforced our decision that a reduction-in-force to stay within available funds is unacceptable.

Our Park Police have the law enforcement function for all of the Washington metropolitan area parks in the National Capital Region, in the same manner as the law enforcement rangers have in other parks. If our Park Police were not centrally administered, each park would be required to maintain a viable law enforcement program as a part of their base funded program, and given the same funding deficits, would have to eliminate activities of lesser priority. However, the magnitude of the funding problems, coupled with the lack of an equitable system for determining each park's "fair share", require that we deal with solutions at the Regional level. Therefore, the Region has redirected funds from other park functions of benefiting parks to cover the law enforcement needs in those parks.

The increase requests for law enforcement personnel (reference page 48) consist of both full-time and seasonal positions and the 42 percent lapse rate is simply the average lapse needed to convert the number of positions required to the work years for which we have budgeted.

Question: How does the USPP relate to the Federal law enforcement training program at Glynco? How many FTE has been used to support Glynco? Why haven't these been used to support additional enforcement needs instead?

Answer: The Federal Law Enforcement Training Center (FLETC) was established in 1970 when Congress expressed its intent that the personnel of all Federal law enforcement agencies, except the Federal Bureau of Investigation, would participate in training at the Center. At present, there are 48 participating organizations representing 17 agencies. In order to provide the best possible law enforcement training, the Center training staff is made up of experienced instructors who have a minimum of 5 years of law enforcement experience. A portion of the instructors are Federal officers on detailed assignment to the Center from their parent agencies. This mix of permanent and detailed instructors creates a balance of experience and fresh insight from "the field" as well as continuity in the curriculum.

From the Center's inception, we have provided instructors in support of Center and our own training programs. Currently, six U.S. Park Police officers are detailed to the Center instructional staff. These FTE positions are Center positions, and as such, do not detract from the law enforcement efforts of the National Park Service. Costs relating to these positions are fully reimbursed by the Department of the Treasury.

It should be noted that in addition to basic training for new officers and investigators, all of our 515 U.S. Park Police officers at the Private, Sergeant, and Lieutenant level receive 80 hours of mandated in-service training at the Center every other year.

Question: Will the USPP increase the number of officers or employees this year? If so, by how many? What is the difference in level of training between the USPP and park rangers with law enforcement training? Are the law enforcement rangers at a major park like Yosemite or Yellowstone as fully trained and competent as the USPP? How many are equivalently trained?

Answer: There are no plans to increase our law enforcement strength this year, and no funds are available to fill vacant police positions.

Our new officers receive 480 hours of training in the Basic Police Course conducted by the Federal Law Enforcement Training Center. After completion of the Basic Police Course, all U.S. Park Police recruits attend a 240 hour specialized program to learn law enforcement subject matter relating specifically to the National Park Service as well as local law and regulations. All recruits, after leaving the formal training phase, enter a 200 hour on the job training program under the guidance of an experienced Field Training Officer. In this program, the recruit is oriented to the application of National Park Service policy and procedures in "real world" situations.

Additionally, all personnel below the rank of Captain receive 80 hours of in-Service training every other year. All personnel receive semi-annual firearms training. Advanced First-Aid and Cardio-pulmonary Resuscitation training received in the Basic school is reinforced in accordance with American Red Cross guidelines. Examples of specialized training for officers whose positions require a high degree of expertise follow:

| | |
|---|---|
| Horse Mounted | 480 hours |
| Dog Master | 800 hours |
| Motorcycle Mounted | 160 hours |
| Motor-scooter | 80 hours |
| Special Equipment and Tactics Team | 400 hours annually |
| Hostage Negotiation | 40 hours |

Additional training is also offered in Terrorist Activities, Collection and Preservation of Evidence, Fingerprinting, Photography, Accident Investigation, The Sexual Criminal, etc.

New supervisors receive 40 hours of supervisory training during the first year following promotions and 40 hours of additional supervisory training during the two years following promotion. All Lieutenants and higher ranking officials participate in a wide range of training programs designed to develop managerial skills and law enforcement expertise.

Law enforcement is one of many functions performed by the Park Ranger whose primary mission is total park management whereas all members of the U.S. Park Police are full-time law enforcement officers operating in an urban environment.

Park Rangers receive training similar to that of U.S. Park Police officers. However, law enforcement is a very complicated task that requires a variety of training experiences. The National Park Service provides the type and amount of training determined to be adequate to perform the mission of protecting visitors, property and park resources. Approximately 2,100 park rangers have law enforcement commissions.

Park Rangers with a full law enforcement commission receive different types of specialized training according to the needs of the park to which they are assigned. To obtain a full law enforcement commission, permanent employees with law enforcement responsibilities are required to satisfactorily complete the 360 hour Basic Law Enforcement for Land Management Agencies Program at the Federal Law Enforcement Training Center. In addition, all commissioned rangers must maintain current American Red Cross Standard First Aid Card and Cardio-Pulmonary Resuscitation Certification. For those new employees entering the Service with extensive law enforcement training from other law enforcement agencies, conformance with the program subjects, as specified in the Basic Law Enforcement for Land Management Agencies syllabus will be the required minimum standard for issuing a commission. Certification of training equivalent to the standard may qualify an employee for a commission without attending the basic program.

Full law enforcement commissions for seasonal personnel can be issued initially or upgraded from the 200-hour seasonal commission with the completion of the required subjects necessary to fulfill the training syllabus requirements for a full law enforcement commission. Law enforcement course work completed at accredited academic institutions is acceptable for completion of specific course requirements. In addition, course work completed at accredited law enforcement training academies or facilities may be substituted for completion of specific course requirements.

Seasonal employees assigned to law enforcement duties are required to have a seasonal law enforcement commission. They are required to complete a minimum of 200 hours of training as specified in the Seasonal Ranger Training Syllabus. In addition, they will maintain as a minimum the Amercian Red Cross Standard First Aid Card and Cardio-Pulmonary Resuscitation Certification.

Law enforcement personnel are required to complete at least forty (40) hours of in-Service (refresher) training each year.

Question: How many USPP have been provided to support special requests in prior years, such as supplementing the Cuban or Haitian refugee problems in Florida? Please list all such incidents over the past five years, along with an overall staffing history for those years.

Answer: U.S. Park Police has not provided support to any other special requests similar to the Cuban and Haitian refugees problem which occurred in 1980. The added burden in fulfilling their regular duties was largely accomplished by extensive overtime of the officers remaining at their duty stations. All costs were reimbursed by the Federal Emergency Management Agency. The U.S. Park Police has provided additional support to various park areas upon request by the respective Regional Director and subsequent approval by the Direcctor, National Park Service.

The following is their staffing history in the past 5 years.

| Date/Comments | Filled | Vacant | Total Authorized |
|---|---|---|---|
| April 9, 1978<br>a. Added 8 police Bicentennial Land Heritage positions | 561 | 12 | 573 |
| July 1, 1979 | 550 | 27 | 577 |
| June 1, 1980<br>a. Added 3 police Horse Mounted Police positions for C&O Canal<br>b. Added 23 police positions for Gateway National Recreation Area | 557 | 46 | 603 |
| October 1, 1980<br>a. Added 7 police positions for Pennsylvania Avenue Development Corporation (PADC) | 575 | 35 | 610 |
| June 28, 1981<br>a. Abolished 14 police positions at Gateway National Recreation Area | 566 | 30 | 596 |
| February 20, 1982 | 553 | 42 | 595 |
| October 1, 1982<br>a. Abolished 4 police positions at Federal Law Enforcement Training Center (FLETC)<br>b. Abolished 2 police positions at USPP HQ<br>c. Convert 2 police positions to civilian | 541 | 46 | 587 |

Question: Please discuss the need for law enforcement activities that, in the Committee's judgment, do not directly relate to protection of the park resource or the park visitor but seem to resemble a broader law enforcement function. For example, aggressive enforcement of speed limits on G-W or B-W parkway (radar traps, etc.).

Answer: Our law enforcement function is to protect areas of the National Park System and its visitors. Our responsibility is to provide assistance to the public during their visit, and to gain their cooperation and compliance with established rules, regulations, and laws.

In our opinion, we do not perform any activity in a park area not directly related to the protection of the park resource or the park visitor. We do employ the use of radar as one method of improving traffic safety. In providing for the safety of the public, we use the full range of patrol techniques including foot, bicycle, motorscooter, motorcycle, automobile, horse, dog, and helicopter.

It should be noted that even in those police departments in the major urban cities, only about 10 percent of an officer's time is spent doing actual "enforcement". Of special mention, therefore, is the fact that in 1982 the Force provided service in over 10,000 instances within park areas to visitors in need of various forms of assistance, and issued over 16,000 warning notices to inform park users of various rules and regulations and seek their cooperation in maintaining a safe park environment.

## SUBCOMMITTEE RECESS

Senator McClure. This subcommittee will stand in recess until 2 p.m. tomorrow.

[Whereupon, at 3:20 p.m., Wednesday, March 9, the subcommittee was recessed, to reconvene at 2 p.m., Thursday, March 10.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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THURSDAY, MARCH 10, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:18 p.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure and Burdick.

## DEPARTMENT OF THE INTERIOR

## U.S. GEOLOGICAL SURVEY

### STATEMENT OF WILLIAM P. PENDLEY, DEPUTY ASSISTANT SECRETARY—ENERGY AND MINERALS

ACCOMPANIED BY:
- DALLAS PECK, DIRECTOR
- DOYLE FREDERICK, ASSOCIATE DIRECTOR
- RUPERT B. SOUTHARD, CHIEF, NATIONAL MAPPING DIVISION

### PREPARED STATEMENTS

Senator MCCLURE. The subcommittee will come to order.

This is the time scheduled to review the fiscal year 1984 budget request of the U.S. Geological Survey. The Survey has proposed a 1984 budget of $359,428,000, a decrease of some $26,561,000 from fiscal year 1983's appropriation program level, and a decrease of some $42,160,000 from the fiscal year 1984 base or current services level.

Representing the Department this afternoon is Mr. W. Perry Pendley, Deputy Assistant Secretary for Energy and Minerals; and Dr. Dallas L. Peck, Director of the U.S. Geological Survey.

Gentlemen, you are welcome here today. Your full written statements will be made a part of the record at this point. Please introduce the others who are with you and then we will proceed with questions.

[The statements follow:]

## STATEMENT OF WILLIAM PERRY PENDLEY

Mr. Chairman, I am pleased to appear before you today to present our Fiscal 1984 Budget priorities for the Energy and Minerals bureaus. The respective directors of the Bureau of Mines, Minerals Management Service, Office of Surface Mining and Geological Survey subsequently will present their statements in which they will more fully outline our FY 1984 Budget recommendations. Mr. Dallas Peck, Director of the U.S. Geological Survey will provide his statement today.

In the energy and minerals programs, our primary goal is to enhance America's ability to meet our energy and mineral needs with domestic resources. As you know, nearly a year ago, President Reagan became only the second President in history and the first in nearly three decades to announce a national minerals policy. We are extremely pleased with the President's Statement because it reflects a commitment made in September 1980 and a very real recognition of the importance of minerals to our national well being. It is in recognition of that minerals policy that this Administration has taken many of the actions that it has including rejection of the Law of the Sea Treaty, elimination of outdated and unnecessary withdrawals, advocacy of a five-year extension of the Defense Production Act as well as recent consideration of an Exclusive Economic Zone.

Mr. Chairman, we have ensured that the U.S. Geological Survey will focus its world renown scientific expertise on the collection, analysis and distribution of basic data concerning America's water, land, energy and mineral resources. We have accomplished this through the establishment of the Minerals Management Service. The Survey's programs directly support essential elements of the President's national minerals policy. Survey programs also maintain and constantly update the Nation's largest data base on the quantity and quality of our surface and ground water resources and therefore provide information which is vital to taking steps to avert a water crisis in the next decade. The Survey also is the Nation's principal civilian mapmaking agency and coordinates mapmaking requirements throughout the Federal Government. Mr. Chairman, the budget we present today fully supports the Survey's scientific missions and provides funding for new initiatives to meet the highest priority requirements in all of these areas.

In taking steps to achieve our primary goal, our 1984 Budget recommendations reflect the administration's overall policies which are to seek to limit the size, intrusiveness and costs of Federal activities as much as possible. As a result, we are finding ways to:

- Streamline Federal activity, to limit it to those areas and responsibilities that are truly Federal in nature;
- Ensure that these appropriate Federal responsibilities are performed in the most cost-effective and efficient manner; and
- Aid State and local governments in carrying out their appropriate public responsibilities in a similarly cost-effective manner.

Accordingly, our 1984 Budget recommendations to expand or even sustain program funding levels are made possible through decreases in lesser priority programs and through cost savings. All of the changes discussed in my statement will compare the 1984 base to the Budget estimate.

The four areas for which we have assigned highest priorities within our 1984 Budget recommendations are the following:

- $118.8 million in several Bureau of Mines and Geological Survey programs which fully support the President's National Materials and Minerals Program. It is the President's explicit goal "to decrease America's minerals vulnerability by taking positive action that will promote our national security, help ensure a healthy and vigorous economy, create American jobs, and protect America's natural resources and environment." See table 1 for the Bureau of Mines and U.S Geological Survey programs which are directly related to the President's mineral program plan.

- $108.1 million in the Minerals Management Service to fully support the Department's consolidated program for carrying out the five-year Outer Continental Shelf oil and gas leasing schedule. This program is a key component of the Administration's policy to increase our Nation's reliance on its own energy resources.

- $231.5 million in the Office of Surface Mining for grants to provide strong, direct incentives for States to maintain and improve their regulatory and reclamation program capabilities and thereby to reduce direct Federal involvement under the Surface Mining Control and Reclamation Act. These grants support the States, with appropriate Federal oversight, to protect society and the environment from the adverse impacts of coal mining operations and to reclaim mined areas left without adequate surface reclamation prior to enactment of the Act.

- $26.4 million in the Minerals Management Service for Royalty Management for the accurate determination, collection, accounting, and distribution of bonuses, rentals and royalties from Federal, Indian and Outer Continental Shelf lands mineral leases. Receipts from these leases are estimated at $13.6 billion in fiscal 1984. Receipts from OCS leasing alone are currently estimated to exceed $85 billion over the period from fiscal 1982 through 1988, excluding Windfall Profit Taxes.

The overall FY 1984 Budget for the four Energy and Minerals bureaus is $920.9 million in new Budget Authority subject to annual appropriations. This is a $21.0 million or 2.2 percent reduction from the 1983 current estimate of $941.9 million and is a $27.8 million or a 2.9 percent reduction from the 1984 Base estimate of $948.7 million. Table 2 which is attached to my Statement summarizes the totals by Bureau.

The most significant recommendations in the 1984 Budget in relation to our broad policies and our primary goal are these.

- $57.6 million increase for mine land reclamation for a total of $218.8 million. Of this total, the two major components are:

  $61.4 million increase for State Reclamation program grants for a total of $193.9 million with which States will be able to begin working on high priority (non-emergency) reclamation projects, some emergency projects and are expected to handle RAMP-type projects using their grant awards.

$4.7 million reduction for Interior Reclamation projects which leaves $11.7 for emergency projects and a few high priority projects in those States without a reclamation program. The increase for grants and reduction for Federal projects reflect our belief that States are best able to select and pursue reclamation projects within their jurisdictions.

- $5.5 million increase for State Regulatory program grants for a total of $37.6 million. The increase is to provide to States with regulatory primacy the necessary resources to carry out their approved regulatory programs in lieu of direct Federal enforcement.
- $15.7 million reduction in Bureau of Mines programs resulting from consolidating program efforts and concentrating research on long term, high risk, high potential payoff projects with the best chance for wide generic application to materials problems and increased productivity. It is our expectation that industry may wish to pick up the projects being terminated which are in the development phase and some which are in advanced stages of applied research.
- $9.6 million reduction because no new funds are requested for the Mineral Institutes. The funds already provided by the Congress in 1982 and 1983 are being used to continue the programs of the thirty one Mineral Institutes, the four generic centers established in 1982, and to initiate the new generic center for mine health and safety which will be established later this year. The funds already appropriated should be adequate to cover the activities of these centers through 1984. In the future, we feel that the activities supported by the Mineral Institutes could be better handled through the universities and through the private sector.
- $5.0 million reduction for Mining Technology to eliminate funding for coal mining productivity research recently transferred from the Department of Energy because this work which has an immediate impact on increased productivity should attract support by the private sector. Existing government contracts will be concluded and an orderly shutdown of the test facility at Bruceton will be completed.
- $3.1 million reduction as a result of efficiencies in the Outer Continental Shelf program leaving $108.1 million. Of the $3.1 million total reduction, -$2.5 million results from streamlining the OCS sale process and the reduction in resources required for collection and analysis of geologic and geophysical data; -$1.0 million is in the OCS information program as a result of the completion of the data release system; and an increase of +$0.4 million is recommended for additional resources to implement the accident investigations and civil penalties programs.
- $5.9 million reduction for Royalty Management leaving $26.4 million. The decrease in Royalty Management is proposed as a result of the conversion of all payors to the new Auditing and Financial System (AFS) and the phase down of contract systems support for the design and development of the AFS and the computer-based Production Auditing and Accounting System (PAAS).
- $6.4 million reduction resulting from elimination of funding for operation of the Barrow, Alaska gas fields, based on current plans to seek Congressional authority

for transferring these facilities to a unit of local government.

- $6.0 million reduction leaving $29.5 million for earthquake research. Of the reduction about two-thirds will be accomplished by discontinuing some of the studies on earthquake mechanism and earthquake prediction. The remainder of the reduction or about $2.0 million will be accomplished by discontinuing certain field projects on earthquake potential and the elimination of about 100 stations throughout the Western United States which currently are part of the earthquake monitoring network. In order to provide for orderly response to potential or actual earthquakes or volcanic eruptions, we are proposing that the Secretary be provided authority to quickly supplement these budget resources at his discretion, in the event of an actual or potential emergency.

- $3.5 million reduction leaving $7.4 million for Volcano hazards. The Volcano Hazards Program is funded at a level to maintain skeletal monitoring networks within the Cascade Range for the detection of possible activity and to continue investigations at a few volcanoes that currently appear to pose the most serious threat to nearby lives and property. At the proposed funding level, monitoring at Mount St. Helens and Long Valley will be reduced; however, the emergency authority we are proposing will enable us to provide an orderly response, in the event of an actual or potential emergency.

- $9.8 reduction for energy geologic surveys leaving $25.5 million. The reductions are the result of further reductions in emphasis on Government-funded research on energy resources. Of the total reduction, -$4.7 million is for coal investigations leaving $9.8 million which will be used to continue research on critical aspects of coal quantity and quality, including the preparation of coal folio maps for Federal coal lands assigned highest priority by the Bureau of Land Management. Other reductions are for geologic investigations of onshore oil and gas, oil shale, uranium/thorium, geothermal and world energy resources.

- $6.0 million reduction for energy hydrology leaving $9.6 million. Of the total reduction, -$5.0 million is for coal hydrology leaving $2.0 million. With the shift to State primacy under the provisions of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), it is our intention that collection of water data and information will be accomplished by others (industry, State and local governments) to the degree that such information is required to support coal permitting and development. A reduction of -$1.0 million leaving $0.3 million for oil-shale hydrology activities is recommended based on waning industry interest in this resource.

- $8.5 million reduction for National Mapping and Digital Cartography leaving a combined total of $83.9 million in direct funding for these programs. The major areas of reduction are -$1.9 million in primary quadrangle mapping allowed by the move to the new provisional editions; -$2.0 million in orthophotoquads offset by an identical program increase in the new proposed appropriation for digital cartography; -$3.5 million for Small Scale, Intermediate and Special Mapping which is distributed over lower priority portions of four programs; and -$3.0 million due to termination of funding for Side Looking Airborne Radar. The Survey recognizes the value of SLAR technology for certain applications and believes that sufficient SLAR data have been acquired and made available to the public to demonstrate their utility. Additional SLAR data can be acquired by industry within the private sector without the expenditure of government funds.

- There are other increases and decreases throughout the programs of these four bureaus which will be explained by the respective bureau directors.

The 1984 Budget for the Energy and Minerals bureaus provides increases to support programs which are essential to achieving our goal which is to enhance America's ability to meet our energy and mineral needs with domestic resources and it provides decreases for lessor priority programs and in those cases where cost savings can be realized. I recommend it to you without reservation.

### Table 1
### Department of the Interior
### Bureau of Mines and U.S. Geological Survey
### FY 1984 Budget
### Programs Related to
### The President's 1982 Materials and Minerals Program Plan

| Bureau/Appropriation/Program | Budget Authority $ Millions | | | |
|---|---|---|---|---|
| | 1983 Appropriation Enacted to Date | 1984 Base | 1984 Estimate | Change From Base |
| **Bureau of Mines** | | | | |
| Mines and Minerals | | | | |
| Minerals and Materials Research* | 25.6 | 28.8 | 25.7 | -3.1 |
| Conservation and Development | | | | |
| Mining Technology Research* | 4.4 | 4.5 | 4.2 | -0.3 |
| Minerals Information | 10.4 | 10.9 | 10.9 | --- |
| Policy Analysis | 11.1 | 11.5 | 11.5 | --- |
| Land Assessments (principally in potential wilderness areas) | 4.9 | 6.8 | 6.4 | -0.4 |
| | 56.4 | 62.5 | 58.7 | -3.8 |
| **U.S. Geological Survey** | | | | |
| Surveys, Investigations and Research | | | | |
| Strategic and Critical Minerals | 5.7 | 5.9 | 9.3 | +3.4 |
| Alaska (AMRAP) | 9.1 | 9.4 | 9.4 | --- |
| Conterminous States (CUSMAP) | 5.5 | 5.8 | 5.8 | --- |
| Wilderness Surveys | 8.3 | 11.4 | 8.4 | -3.0 |
| Development of Assessment Techniques | 11.6 | 12.4 | 12.4 | --- |
| Offshore Geologic Surveys | 12.9 | 13.7 | 13.7 | --- |
| Federal Mineral Land Information (National Mapping Activity | --- | --- | 1.0 | +1.0 |
| | 53.1 | 58.6 | 60.1 | +1.5 |
| Combined Total | 109.5 | 121.1 | 118.8 | -2.3 |

*Includes only that portion related to strategic and critical minerals

Notes for Table 1

Department of the Interior
FY 1984 Budget
Programs that address priority issues and concerns in
The President's National Materials and Minerals Program Plan (1982)

The programs that address these priorities are the following:

-- Over 85 percent, or about $25.7 million, of the Bureau of Mines, Minerals and Materials Research program is allocated to Strategic and Critical Minerals Research which is aimed primarily at (1) devising new concepts in extractive concepts metallurgy for treating hard to manage, complex mineral resources that may be considered sub-economic in their present form; (2) investigating new materials that may be substituted or used as alternatives; (3) reducing imports through conservation and recycling of scrap.

-- $4.2 million provided for Bureau of Mines, Mining Technology Research in metal and non-metal minerals is directed toward developing improvements necessary for enhanced recovery from low-grade mineral deposits, including strategic and critical materials.

-- $10.9 million for the Bureau of Mines Minerals Information program that maintains and provides reliable up-to-date data for analysis of national minerals problems by collecting, interpreting and disseminating worldwide information relating to the production, consumption, and availability of nonfuel minerals.

-- $11.5 million for the Bureau of Mines Policy Analysis Program. The objective of this program is to identify issues and conduct in-depth economic, technical, and policy studies that focus on domestic and worldwide supply of and demand for nonfuel minerals. It also provides analytical support and technical engineering knowledge for development of mineral policies.

-- A total of $14.8 million for mineral assessment surveys by the Geological Survey ($8.4 million) and Bureau of Mines ($6.4 million) of proposed wilderness study areas. Priority emphasis in these efforts is directed to determine whether the areas may have potential strategic and critical mineral resources.

-- $9.3 million provided for the U.S. Geological Survey, Strategic and Critical Minerals program that supports (1) the research of USGS Commodity Geologists; (2) the computerized Mineral Resources Data System; and (3) research on resource assessments where intensified efforts are most likely to lead to new discoveries of strategic and critical minerals. Special emphasis in FY 1984 is proposed for promising areas in the mid-Continent and Eastern United States.

-- $9.4 million for Geological Survey's Alaskan Mineral Assessment Program (AMRAP) which has just prepared its first annual report on mineral resources in that State. The program focuses on areas thought to have high potential especially for strategic and critical minerals.

-- $5.8 million for the Geological Survey's Conterminous U.S. Mineral Resources Assessment Program (CUSMAP) which is systematically inventorying and defining the mineral resources of the lower 48 States.

-- $12.4 million for the Geological Survey's Development of Assessment Techniques program in which basic research is conducted to identify concepts of mineral deposits and more effective methods for assessing mineral potential.

-- $13.7 million for the Geological Survey's offshore mineral investigations. This program has a number of high priority objectives which can be summarized as the seaward advancement of geologic knowledge which will contribute to the discovery of valuable mineral deposits on the seafloor. Starting in FY 1983, special emphasis is being placed on studies of polymetallic sulfide deposits in the Juan de Fuca area off the Pacific Northwest coast of the United States and the cobalt-rich manganese crust forming around the Hawaiian Islands and the Trust Territory of the Pacific Islands.

-- $1.0 million for a new Federal Mineral Land Information program in the U.S. Geological Survey. This program will provide for development of a geographic information system to rapidly and effectively answer questions such as location of federally owned lands, agencies administering them, mineral occurrence, Federal mineral rights and the specific restrictions on mineral exploration and development of those lands.

## Table 2

### Energy and Minerals Amounts
### Subject to Annual Appropriation
### Budget Authority
### $ Millions

| Bureau | 1983 Appropriation | 1983 Current Estimate | 1984 Base | 1984 Estimate | 1984 Change From Base |
|---|---|---|---|---|---|
| Minerals Management Service | 196.5 | 198.5 | 165.2 | 155.5 | -9.7 |
| Office of Surface Mining Reclamation and Enforcement | 221.6 | 222.1 | 223.1 | 282.3 | +59.2 |
| Bureau of Mines | 143.1 | 144.6 | 148.4 | 117.6 | -30.8 |
| Geological Survey | 369.8 | 376.7 | 412.0 | 365.5 | -46.5 |
|  | 931.0 | 941.9 | 948.7 | 920.9 | -27.8 |

## STATEMENT OF DR. DALLAS L. PECK

I want to thank you for today's opportunity to discuss the U.S. Geological Survey's Fiscal Year 1984 budget. The budget request for the Geological Survey, Surveys, Investigations and Research account is $359,428,000 reflecting a net programmatic decrease of $42,160,000 from the FY 1984 base. Within the proposed FY 1984 funding level, increases for high priority programs are recommended including strategic mineral investigations, acid rain and toxic waste monitoring and research, and digital cartographic data systems. The recommended decreases for FY 1984 occur primarily in the areas of geologic hazards surveys, energy related geologic surveys, energy hydrologic investigations, special purpose topographic mapping, remote sensing data collection and applications and wilderness programs. Reductions are recommended in programs where 1) there is less emphasis on government funded research, 2) it is feasible and practical to delay or stretch out research in order to fund higher priority programs in order to meet the administration's fiscal goals, 3) there is a planned decrease in workload or 4) the collection of data and information will be accomplished by other agencies. I feel that the FY 1984 request presents a well balanced program that continues our efforts in mapping the Nation, implements the Department's objectives to increase the supply and improve the management of water resources, and enhances America's ability to meet our energy and mineral needs within domestic resources.

The Digital Cartography request is again proposed as a separate account which would establish a revolving fund with the proposed FY 1984 request of $6,028,000 as the initial operating capital for the fund. In the Barrow Area Gas Operation, Exploration, and Maintenance account a decrease of $6,400,000 is proposed, pending congressional authority for transferring title of the gasfields to the North Slope Borough.

We are also requesting congressional approval of the following proposals to assist in more efficient operation of our programs:

- o To provide a more effective means to fund printing and distribution of our maps, authorization is being requested for the Geological Survey to retain receipts from the sale of maps. The receipts from the sale of maps will be used to provide a continuing source of funding for printing and distributing maps of the Geological Survey. A new subactivity, entitled Receipts for Printing and Distribution, is being requested as a permanent, indefinite no-year appropriation to augment direct appropriations to Surveys, Investigations, and Research. An offsetting reduction is being proposed in the Primary Quadrangle Mapping and Map Revision Programs.

- o In order to provide for orderly response to potential or actual earthquakes or volcanic eruptions, we are proposing that the Secretary's authority under Section 102 of the General Provisions be expanded in order to facilitate rapid response in the event of an actual or potential emergency.

The proposed changes in the Geological Survey's budget for FY 1984 are summarized in the following discussion, by appropriation activity, of the highlights of our FY 1984 budget.

### SURVEYS, INVESTIGATIONS, AND RESEARCH

### National Mapping, Geography and Surveys

The FY 1984 budget request for National Mapping, Geography and Surveys is $77.9 million, a decrease of $10.5 million from the FY 1984 base funding level. Reductions are proposed in the following programs: Primary Quadrangle Mapping, Intermediate, Small Scale and Other Special Mapping, Side-Looking Airborne Radar, the Airborne Profiling of Terrain System and the Earth Resources Observation System. These reductions are proposed to support higher priority programs and are in programs where delay or reduction of outputs will not severely impact basic mapping objectives and missions. Specific areas of interest within this activity are:

Federal Mineral Lands Information

We are requesting $1,000,000 for a new program initiative to develop a system to consolidate and make available information on strategic and critical minerals through the use of a digital data base. The Federal Mineral Land Digital Data System which is being developed in cooperation with the Bureau of Land Management, Bureau of Mines, and the Fish and Wildlife Service, will contain Federal land surface and subsurface ownership boundaries, mineral occurrence data, mineral restrictions information and other data for formulations of policy governing mineral exploration and development on Federal lands.

The data system will have the capability to input, retrieve and display mineral information from a wide range of Federal sources, providing data access to users through computer terminals. This system would serve as a tool for the continuing development, implementation, and monitoring of policies concerning the Federal lands.

Mapping the Nation

In order to improve our efficiency in meeting the Nation's mapping needs we will continue to increase production of provisional edition maps over our standard primary quadrangle map, thereby providing maps for public and Federal users more quickly. The provisional map, an edition requiring less production time and cost, is a published version of the compilation manuscript with limited map finishing details. Reductions in map finishing operations and field procedures have shortened the map production cycle. Even with the proposed funding reduction in FY 1984, we are now projecting completion of national coverage of the primary quadrangle series by 1989.

## Geologic and Mineral Resource Surveys and Mapping

The FY 1984 budget request for Geologic and Mineral Resource Surveys and Mapping is for $141.9 million, a decrease of $22.5 million from the FY 1984 base funding level. The proposed FY 1984 program includes reductions to each of the Geologic Hazards Programs as well as the Geomagnetism, Climate Change, and Land Resource Data Applications Programs. Other funding reductions include Wilderness Mineral Surveys, and the various program elements of the Energy Geologic Surveys subactivity. These reductions reflect the need to support higher priority programs, decreased workloads for Wilderness Programs, as well as less emphasis on geologic hazards aud energy investigations. Specific areas of interest within this activity are:

Geologic Hazards Programs

Geologic Hazards Programs are conducted to acquire data useful in predicting and delineating hazards from earthquakes, volcanoes, and ground failure and to identify engineering problems related to nuclear reactor siting. While data collection and research is carried out throughout the United States. activities are concentrated in areas where the risk from geologic hazards are the most critical, such as: earthquakes in southern California, and volcanoe eruptions in Mt. St. Helens. Although geologic hazards programs are proposed for reduction, with the requested funding the Geological Survey will be able to continue its efforts in basic research and provide data on potential hazards in areas judged to be most critical.

The Geological Survey's work with the Federal Emergency Management Agency (FEMA) will continue to expand in order to improve our coordinated program of preparation and response to potential and existing geologic and hydrologic hazards. Presently, the Geological Survey and FEMA are completing working arrangements to a recently signed Memorandum of Understanding for broader coordination in several critical areas of emergency management.

## Strategic and Critical Minerals

There is substantial evidence that the Nation's resource base is increased by fundamental research directed towards the discovery of new mineral deposits. Therefore, in FY 1984 the Geological Survey is requesting funds to initiate major new efforts under the Strategic and Critical Mineral Program which fully support the President's National Materials and Minerals Program.

The proposed increase of $3,400,000 will allow the Geological Survey to begin an intensive geologic, geophysical, and geochemical study of the eastern Triassic basins for deposits of strategic and critical minerals. The specific targets are deposits of the type which occur when basaltic magma interact with sulfur bearing sediments. Similar deposits are the Soviet Union's most important source of nickel, cobalt, and platinum. The similar geologic setting and a recently developed petrologic model suggest that such deposits might be present in the eastern United States where there has been no exploration for this type of deposit.

The Geological Survey will also begin a study of the mineral potential of the buried basement and platform rocks of the mid-continent of the United States. This area has great potential for large undiscovered deposits of nickel, cobalt, lead, zinc, iron, and numerous other mineral commodities. These rocks are highly productive where exposed in southern Canada and the northern United States and areas such as the Missouri lead belt and the tri-state district, but are covered by a few feet to thousands of feet of younger deposits over a wide area in the mid-continent United States. Potentially this terrane has substantial undiscovered mineral resources, but their exploration and development will require a far better understanding of its geology and the application of concepts and tools that are not yet available.

## Wilderness Program

Activities under the Wilderness Program, in FY 1984 will be highlighted by completion of Circular 1300 which will consolidate and highlight within one source document the results of investigations carried out by the Geological Survey on Forest Service Wilderness Lands since 1963. In addition, FY 1984 will mark a transition year in the Geological Survey's efforts in wilderness studies as effort is partially redirected from Forest Service Lands to lands under the Bureau of Land Management. The wilderness mineral surveys on BLM lands are to be directly funded in FY 1984, rather than by reimbursement as in prior years. In addition, we will continue our mineral resource assessment efforts in the conterminous United States and Alaska (CUSMAP and AMRAP) which provide a framework for assessing the potential of individual wilderness areas.

## Water Resources Investigations

The FY 1984 budget request for Water Resources Investigations is $112.2 million, a decrease of $7.8 million from the FY 1984 base funding level. Decreases in lower priority programs will occur in the Coal and Oil Shale Hydrology Programs, Water Use, Federal Data Collection and Analysis, Regional Aquifer Systems Analysis, Flood Hazards Analysis, Environmental Affairs, Supporting Services, and Water Resources Scientific Information Center. The majority of the decrease is proposed in the Energy Hydrology subactivity where coal hydrology data collection and information to support coal permitting and development will be accomplished by industry and State and local governments. Oil shale hydrology program reductions are due to waning industry interest.

The FY 1984 budget provides the resources for continued efforts with cooperators to determine the status of the quantity and quality of the Nation's water supply and to accomplish the research and analysis necessary for solving critical water problems. The importance of periodic analyses of water conditions and the identification of water problems as a basis for evaluating water programs and policies has long been recognized. We believe that policymakers and water managers throughout the country would benefit from a clear, understandable presentation of the current national water situation, including trends in water availability, quality, quantity, and use, and the nature of critical water problems. In the fall of this year, the Geological Survey working with the Department of the Interior's Office of Water Policy and with other Federal and State agencies will publish the first of a series of National Water Summaries which will synthesize our current understanding of the national water situation. The report will focus primarily on current conditions while subsequent reports will emphasize historic trends and topical problem descriptions.

The following are specific areas where emphasis has been placed on supporting scientific efforts to gather information and perform research to assure that environmental management decisions are made with the best understanding of future consequences.

## Toxic Waste-Ground Water Contamination

Over the last few years, national attention has focused increasingly on the threat to ground-water supplies posed by buried toxic wastes and other sources of contamination.

This year, we are beginning challenging new research studies at three field sites having a documented history of ground-water contamination dating back a few years to several decades. These sites include a crude oil spill near Bemidji, Minnesota; wood treatment chemical contamination near Pensacola, Florida; and sewage with metal and organic solvent contamination on Cape Cod, Massachusetts. These studies will involve teams of interdisciplinary scientists examining the physical, chemical, and biological processes affecting the migration and fate of the contaminates in a variety of real-world ground-water environments.

We are sadly lacking quantitative information on the general overall state of our Nation's ground-water quality and its trends. We, therefore, plan new efforts to gather and assess currently available information and to design a long-term plan for new data collection to better assess the chemical health of our Nation's ground-water system in the future.

The requested increase of $1,000,000 for FY 1984 will enable the Geological Survey to accelerate research to understand the processes affecting migration and reaction of toxic contaminants in ground-water, to develop simulation models for these processes, and to begin developing the methods and techniques required to assess the extent of ground-water contamination.

## Acid Rain

The Geological Survey has been investigating the chemistry of rain for the past three decades, and since 1976 we have done a substantial amount of work in data collection and research on acid rain through our Federal/State Cooperative Program. We have more than 20 studies currently underway in this effort in 15 States.

Among our interagency efforts this year will be the establishment of about 25 new stations for monitoring the chemical composition of wet atmospheric deposition as part of the National Trends Network, for which the Department of the Interior has lead-agency responsibility. The Geological Survey expects to operate 15 of these new sites. We will also be working with other agencies in both the public and private sectors to incorporate up to 100 existing monitoring stations into the National Trends Network. In addition, we will conduct research in ground- and surface-water chemistry, complete our assistance to the Environmental Protection Agency in identifying and classifying lakes and streams that are sensitive to the effects of acid rain, and continue our laboratory quality-assurance program to support the National Atmospheric Deposition Program efforts and those of other agencies involved in acid-rain studies.

We are requesting an increase of $500,000 to continue the planned expansion of this program, with a view to operating 40 atmospheric deposition monitoring stations in the National Trends Network, increasing the number of sensitive surface- and ground-water bodies that we monitor, and increasing research on geochemical processes occurring in watersheds exposed to acid precipitation.

### Nuclear Waste

The safe disposal of high- and low-level nuclear waste continues to be an earth-science issue of paramount national importance, as evidenced by the Nuclear Waste Policy Act passed by Congress in December. The FY 1984 budget fully supports the Geological Survey's multidisciplinary research program on the geologic and hydrologic issues in support of the Department of Energy's mandate to select and develop high-level waste disposal sites. Our program includes technology development in regional site screening procedures, geophysical measurements, predicting long-term geologic hazards, and modeling geologic and hydrologic processes. The technology and expertise we develop are being applied directly to the Department of Energy's site selection and characterization program at potential repository locations such as the Nevada test site.

## General Administration

The FY 1984 budget request for General Administration is $14.2 million, a decrease of $1.3 million from the FY 1984 base funding level.

New external management programs and those with increased emphasis are being dealt with aggressively by the Geological Survey to assure not only the spirit of compliance, but also that beneficial results are produced for the resources invested. Under the provisions of OMB Circular A-123 regarding fraud, waste and abuse, we have completed 15 vulnerability assessments and 6 internal control reviews of management programs and administrative procedures, initiated another 6 reviews, and have 2 more reviews scheduled. Two of the completed reviews--cash management and debt collection--have been instrumental in the development of Fiscal Year 1984 planned actions to improve our financial management operations. The A-123 reviews have and are continuing to help us trigger a number of additional studies and reviews focusing on potential administrative and management problem areas, as in streamlining procedures to permit enhanced compliance with the Prompt Payment Act. Similar attention is being directed in the OMB A-76 contracting out area, where active implementation has already led to two successful conversions.

### DIGITAL CARTOGRAPHY

Requirements for digital cartographic data from Federal agencies are accelerating. The Soil Conservation Service is using a digital land net base to map their sample units for resource management. The Bureau of Land Management is using our digital cartographic data in their assessment of management alternatives for grazing and timber areas. Bureau of the Census is requiring digital data for geographic support in the 1990 census.

We have completed as digital data the 1:2,000,000-scale National Atlas sectional maps covering all 50 states to meet the need for a small-scale digital cartographic data base of the United States. With the increase of $2,000,000, the digitizing of the United States land net will be accelerated to meet the highest priority needs of State and Federal agencies, including the Soil Conservation Service, Bureau of Land Management, Bureau of Indian Affairs, and State of North Dakota.

During the last session of Congress, GAO reported in their study requested by Senator Warner's subcommittee a need to end duplication among Federal agencies on the development of computer mapping technology, and computer mapping production. To address the problem of duplication of digital cartographic data development, a directive has been drafted designating the Geological Survey as lead coordinating agency and is to be transmitted to the Heads of Executive Departments and Establishments by the Office of Management and Budget. In addition, the Geological Survey has been established as the lead Bureau within the Department of the Interior for production, storage, access and distribution of digital data.

### BARROW AREA GAS OPERATION, EXPLORATION, AND MAINTENANCE

The FY 1984 budget proposal for Barrow Gas assumes congressional authority to transfer title to the gasfields to the North Slope Borough. An extensive effort has been put forth by the Geological Survey, the Department of the Interior, and the North Slope Borough to develop a mutually acceptable proposal for transferring the ownership and management responsibilities of the Barrow gasfields from the Department to the Borough. Negotiations are in progress leading to an agreement by which the Borough will receive, among other considerations, the South and East Barrow gasfields, a third, undeveloped gasfield, and other lands to be used for service base sites in support of industry's petroleum exploration activites at the North Slope.

### INTRODUCTION OF ASSOCIATES

Mr. PENDLEY. Thank you, Mr. Chairman. I would like to introduce Mr. Doyle Frederick, who is Associate Director of the U.S. Geological Survey; as well as Dr. Peck, who is Director and a career professional at the Survey.

We understand your time constraints, Mr. Chairman, and we have not prepared to make introductory remarks. We will let our statements stand as they are, and then proceed to your questions.

### RESEARCH REDUCTIONS

Senator McCLURE. Thank you very much, Mr. Secretary. In many respects, the budget you have recommended for fiscal year 1984 resembles several others we will have or will be reviewing this year, including the Bureau of Mines and DOE's fossil energy and energy conservation. They, too, have proposed major budget reductions, and they, too, have stated that some of the research can be picked up by others, including States and private industry. Congress has, in fact, been told this very same thing the past 2 years, and this committee has made what I believe to be significant reductions in all of these programs during that period. But I have yet to see any significant outside contribution to the research efforts continually proposed for reduction in these budgets.

I frankly don't believe there is going to be much, if any, in the immediate future. What it amounts to, really, is that much of this research, some of which is extremely valuable, simply will not be done if we do not fund it—as you have requested. Isn't that the case? Can you tell me of any real evidence which indicates there is outside interest in taking over the research that you don't plan to do?

Mr. PENDLEY. Mr. Chairman, let me answer by first saying that indeed this committee, and, in fact, the entire Senate, has been extremely supportive of our efforts in the past 2 years. But for the efforts of this committee and your efforts, Senator, we would not have made the successful changes that we have at the Department in decreasing the budget and redirecting our scarce resources where they do the most good.

I would point to a couple of indications that we have seen. Of course, when we talk about the mineral side, Mr. Chairman, we are all painfully aware of where the mineral sector is today, the problems that they are facing in the face of the recession through which we have just passed.

We have seen some positive signs, recently, that the mineral sector is starting to turn around, that they are going to be able to devote more funds to exploration, and so forth.

The key to all of that, of course, is general economic recovery. We hope that interest rates will continue to be low and that the inflation will continue to be low, so these very capital-intensive industries can move forward.

One positive indication that we have seen, at least from an area that concerns the U.S. Geological Survey—and then I will turn to Dr. Peck for a more detailed answer—is with regard to the subject we were just discussing. That is, the polymetallic sulfides, in the Gorda Ridge and the Juan de Fuca Ridge off the coast of Washington and Oregon. I was speaking the other day with Dr. Bob Ballard, who is with the Woods Hole Oceanographic Institute, when we made a joint presentation over at the Carnegie Institute on polymetallic sulfides. It was his belief, his conclusion from all the discussion he has had on polymetallic sulfides, that the private sector is ready to go forward to do research in that area and do the analysis of these discoveries that the U.S. Geological Survey to a great extent has uncovered.

So I think that we are seeing the signs that private industry is willing and able to go out there, and, as economic recovery moves further ahead, we will see even greater interest in these new resources. The cobalt-rich manganese crust that we discussed a moment ago is a brand-new discovery, and because it is so important a discovery we will make moneys available to go out there and learn more about that this coming summer, in cooperation with the Navy and others.

But we think that once we have that rudimentary understanding, the private sector will be anxious to do the necessary research.

### ONSHORE RESEARCH

Senator McClure. Well, you have mentioned one, which happens to be in the deep ocean minerals area, that is a matter of very great interest and I think a matter of very great promise. But we have a lot of other associated research and education that occurs with respect to onshore which has in the past been funded through USGS or Bureau of Mines, but which has in recent years been reduced. I keep looking for the evidence that someone else is picking that research up.

Mr. Pendley. Mr. Chairman, I think that when we look at the amount of lands that are now available for leasing, the amount of lands that we have leased, the amount of lands that are under lease, that there is not a pressing need at this time to discover additional coal lands. We have sufficient lands that we know are coal lands, and we know the nature of the coal lands and we have done sufficient research, so that we can have sufficient leasing to meet our target, our goal, and allow the private sector to do all the leasing that is desirable.

In addition, under the Federal Coal Leasing Act and Amendments, we have those exploration permits that now exist, that permit the private sector to go out and acquire additional coal data. We would have that proprietary data, for example, available to us, to help us make many decisions that in the past we had to rely on Government data to make.

So I think that what we have—we have tremendous resources that GS has helped us uncover in the past, and there is sufficient land to do the energy and mineral leasing that we need to do.

### BASIC RESEARCH ON MINERAL RESOURCES

Senator McCLURE. Aside from the identification of resources on the public lands, there is a great deal of resource data that needs to be evaluated with respect to private and public lands. I am thinking more than just simply the making available of the lands, but also the basic research that goes into how we utilize minerals resources in this country. What is our vulnerability? How do we go about solving the problems that are associated with production?

Mr. PENDLEY. Mr. Chairman, I totally concur with that. In fact, that is one area of the USGS budget that we have significantly increased, the strategic and critical mineral research segment. Dr. Peck and the entire USGS have been extremely responsive in trying to put additional funds in these tight times into that aspect of our research program, for example, to understand the origins of strategic and critical minerals.

As a lawyer, I have been fascinated with many of their presentations with regard to the origin of these resources, and they're providing the assistance for us to come to better conclusions about where these rich resources occur.

Dr. Peck may want to expand on some of the new things we are doing in that area.

Dr. PECK. Yes; we are—even within this constrained budget—seeking increased funds for strategic and critical minerals. Although there is a cut in funds for wilderness surveys, that reflects the fact that we and the Bureau of Mines have finished some 44—studying some 44 million acres of Forest Service land. And only a few million acres remain. So that really reflects a cut in workload.

There are several other factors that are helping to offset the decreases in the budget. One is that last year we sought authority from Congress to accept funds from private industry. We are in the process of exploring that with industry consortia in the fields of both energy and mineral resources, and also preparing guidelines. Former Associate Director Radlinski is taking the lead in setting up a system and guidelines in order to review proposals from industry for cooperative studies and the providing of funds.

In addition, in some other programs, some support will—additional support will be gained by university researchers in earth sciences, because the National Science Foundation has increased funds.

In several areas, we have developed more efficient ways of getting the job done. For example, in the mapping programs, we are now preparing provisional maps that take much less map finishing and are going to allow us to complete the overall mapping of the country within our target and with less funds.

In water resources, we are doing analysis of the networks of stream gages in order to see if we could cut down on the number of stream gages and make it more efficient to gather that data.

We are seeking in this year the authority from the Secretary—that is, authority for the Secretary, to reprogram funds in case of an emergency, such as a geologic hazard like a volcanic eruption or an earthquake, so that we will be in a position to respond to that geologic catastrophe.

In addition, we are trying to work more cooperatively with the State surveys, so our programs and their programs fit better together, and by working more closely together we can more efficiently use the funds we have.

### LAG IN BASIC RESEARCH AND TECHNOLOGY

Senator McCLURE. Well, I have heard the answer. I don't mean to pursue the subject unduly, but this country is lagging in basic research. We need to find ways in which we can improve the basic research in this country. We hear more and more talk here on the Hill that the composition of our economy has changed and that we are more of a service-based economy today than we are a resource- or industrial production-based economy. And those who tell us that this is the case and are comfortable with it are also inclined to tell us that we will fare well in the future because we excel in technology.

Then I look at what it is that we are doing in technology, and I am not at all reassured. I see the government of Japan in the third year of a 5-year program in which they made a conscious decision to focus their government's resources as well as their private sector resources in the development of technology. That government infusion was an $80 billion infusion over a 5-year period.

I see nothing comparable here. We haven't moved on the tax front to develop any policies to get more basic research done within the private sector. And all of this is occurring during a period of time when we're having a recession in this country with reduced financial capacity in the private sector as well as strained budgets in the public sector.

We will come out of this, in my judgment, having been substantially disadvantaged by the progress made by others compared to ourselves. I don't believe we have yet conceived any kind of a Federal policy that tries to tie together the disparate research efforts. I see the same thing happening here in USGS as in the Bureau of Mines that decisions on research are budget-driven decisions; they are decisions that are not really part of a coherent, overall policy in which we identify the elements of increased activity.

We simply decrease this—the governmental activity, and say, "Well, somebody else will pick it up." But I haven't seen evidence that they are, or any evidence of the means by which we expect them to do that, or even to identify whether they are.

### WILDERNESS MINERAL SURVEYS

Dr. Peck, as far as the mineral surveys on the wilderness are concerned, you know my feelings. They're a joke. And that's not your fault. That's our fault.

But they're self-deluding. We are deluding ourselves by saying we know what's in the resource that we're deciding to put aside for restricted use, when as a matter of fact, we don't have any more than the barest of notions of what is there.

Dr. PECK. Well, we are able to identify the most promising target areas. Indeed, we can't quantify the undiscovered resources.

Senator MCCLURE. And we don't get enough information for the Congress to base an informed opinion upon. All you can say is, "That's a mineralized area and maybe we ought to take a further look at it."

And Congress says: "Well, if you don't know any more about that, we might as well put it in the wilderness." So we do.

And I know the character of the mineral evaluations you make, and again, it's not your fault. Congress hasn't given you the resources to do it correctly, but neither has the administration asked that you be given the resources to do a better job.

I am, Mr. Secretary, concerned about that. And I hope, somehow, we can do a better job than I believe we are doing now. You have indicated in your written statement that some program areas, such as portions of energy-related geologic surveys, energy hydrologic investigations, geologic hazards surveys, the special purpose topographic mapping, can save money by being delayed or stretched out over a period of time. Well, I understand that this is sometimes necessary.

However, it seems to me that many of the USGS programs in these and other areas have been delayed virtually since the day they were started, which tells me that either the programs weren't very valuable in the first place or that perhaps because of our budgetary crunch we're not doing what we ought to. At some future time we are virtually going to be caught with our pants down with—so far as our knowledge base is concerned.

Mr. PENDLEY. Mr. Chairman?

Senator MCCLURE. Yes, sir.

### STRATEGIC AND CRITICAL MINERAL RESEARCH

Mr. PENDLEY. I did respond earlier to one of your points about the lack of cohesion or coherence in our program with regard to research as it relates to the Bureau of Mines in their mining and metallurgical research, and as it relates to the U.S. Geological Survey in some of their mineral origin research.

I believe that we do have a coherent policy that flows out of the President's mineral statement of last April. That is to increase the amount of research we are doing in strategic minerals and materials.

We have made massive redirections of funding for research in the Bureau of Mines. Yes; we have had significant cuts in the Bureau of Mines, significant cuts of what we thought was an excessive $60 million research program in health and safety.

When we look at the National Academy of Sciences' report saying the biggest thing we could do for health and safety is to better train employees, and that is responsible for one-half to two-thirds of the accidents, then we think we are spending too much money in this area, especially since most of it is through contract research that doesn't build in-house expertise in our Bureau.

I think that the redirection that has taken place in the mining and metallurgical research in the Bureau of Mines and the additional funding we are asking for on the origin of strategic and critical minerals in the U.S. Geological Survey indicates that we have a high-priority program that we are trying to focus funds into. In addition, the Office of the President's Science Adviser has established a Commission on Materials Research to correlate and collate all types of ongoing research activities, so we know better what different agencies are doing. We do have increased coordination there.

We are under fire, as you know Mr. Chairman, for leasing as much as we are, for making more offshore lands available, for making available for leasing 2.24 billion tons of coal in the Powder River basin. We think it's the prudent thing to do in face of the amount of time it takes to get a coal mining operation or geothermal facility going. We think it's the prudent thing to do, but we also think that there are sufficient lands out there on which to lease so that at the current time it's no longer necessary to do some of the research the USGS does with regard to finding more coal land or delineating more uranium deposits. So we think we have a prudent program.

You are so right when you talk about the wilderness mineral surveys. When we do these surveys, GS uses its best technological expertise, the best technical people in the field. The Bureau of Mines sends its best folks out there as well. They do the best job they can. How many people walked over the Quartz Hill discovery, that massive moly deposit up there in Alaska, before someone found it? How many people walked over the Blackbird area before they really realized the significance of it?

I had the opportunity to be in the Stillwater complex in Montana and talk to the man who basically lived out of a tent and ate out of a pork and bean can for 10 years before he found what he saw to be the surface indications of that massive platinum deposit.

So even our best expertise—you can spend an infinite amount of money on these lands, and still not be able to say definitively, "No, Mr. Chairman," as we are asked to do on the House side, before the Public Lands Subcommittee, "There is nothing there." We can't answer that question, and so, as you said, the natural recourse is lock it up. We can't say, "It's only moly. Go ahead, and lock it up." We import all the manganese that we use. It would be good if we could export all the moly we can find.

So we are frustrated as you are, Mr. Chairman, by that orientation. We can't say, "No, it's not there."

Senator McClure. I hope you will when you're asked to comment—and I know you will—say, "We have done the best we can within the availability of funds and the capacity, but we simply don't know well what is there."

### IRISH WILDERNESS AREA

Mr. PENDLEY. Mr. Chairman, I appreciate your saying that, and we shall do that. We do that now in letters and responses written out of Dr. Miller's office, my boss, Assistant Secretary of Energy and Minerals. We have said that we cannot say, "No, it's not there."

We were a little frustrated and concerned last year on the Irish wilderness, talking about the Viburnum trend. I understand the situation there, and I was pleased by, of course, the reaction on the House side and the Congressman from that district, and by his successful objection.

But here you have the biggest lead zinc deposit in—probably in the world—certainly in the United States, and the best information we have is it continues to go right through the Irish. So——

Senator MCCLURE. And we have the same political pressures in the Senate this year that we had last year, and will probably take the same action in the Senate this year as we did last year.

Mr. PENDLEY. I appreciate that. We will do the best job we can, but we won't be able to say, "It's not there."

### PRIMARY QUADRANGLE MAPPING

Senator MCCLURE. Moving to specific budget activities, you report that: "Primary quadrangle mapping of the conterminous United States will be completed by fiscal year 1989."

Dr. PECK. Yes, sir.

Senator MCCLURE. As this activity is the core of the national mapping program, would it be prudent for us to accelerate completion of national coverage? Are you on the optimum schedule for completion?

Dr. PECK. I will turn to my associate, Doyle Frederick. He has a better background.

Mr. FREDERICK. Senator, I think the program that we propose is a reasonable program for completion of the country. We have made some changes in the maps that we produce, and we are now providing a provisional map to get the maps available to the users on a more timely basis. Obviously, one could accelerate the program a bit. But I think this is a reasonable program considering the economy and the budget and the mix of programs within our national mapping division.

We are converting as we go, to put more emphasis on revision. We are also digitizing many of our maps to meet specific user demands. So I think the mix that we have proposed is a reasonable mix for the program.

Senator MCCLURE. How much will it cost to complete the national coverage beyond fiscal year 1984?

Mr. FREDERICK. We don't specifically have those figures at the moment, Mr. Chairman.

Senator MCCLURE. Could you supply them?

Mr. FREDERICK. We are spending about $30 million a year. I expect that to tail off just a little bit as we get to about 1987 or 1988.

Senator McCLURE. Would you provide that with more detail?

Mr. FREDERICK. Yes, sir; we sure will.

[The information follows:]

### COST TO COMPLETE PRIMARY QUADRANGLE MAPPING

Considering the savings resulting from production of provisional edition maps and excluding printing and distribution costs, we estimate the cost to complete national coverage beyond fiscal year 1984 to be approximately $130 million. As of the end of fiscal year 1984 there will be approximately 8,300 quadrangle areas without published maps. The computation of estimated cost is based on the current average cost of map production at $440 per square mile or about $25,000 per quadrangle map, and the projection that they will be on the average about one-third complete at the beginning of fiscal year 1985.

### PROVISIONAL EDITION MAPS

Senator McCLURE. You indicated in the fiscal year 1983 justification that the cost per square mile for new quadrangle mapping was about $530. This year, the same cost is down to $440. How did you achieve that savings?

Mr. FREDERICK. That represents the switch that we recently made, and to which I referred a little bit earlier, to the provisional map. We are providing a map that has yet to be finally completed in terms of a final check with respect to field verification, classification, and editing. And by 1984 about 80 percent of our standard quadrangle mapping workload will be in that area of provisional mapping. So that's essentially the explanation.

Senator McCLURE. What is a provisional edition map? How does it differ from a standard topographic map?

Mr. FREDERICK. Senator, the provisional map represents essentially the same quality in terms of accuracy and of basic content. It doesn't represent the field check which looks at quantification and verification of cultural features such as names and places and final edit of the product, and cartographic finishing.

We intend to provide that so that we can get something quickly to users, and ultimately we will integrate into our revision process the upgrading of those maps to a standard product, but it will be a part of our revision process. The users will have had the product many years sooner.

Dr. PECK. Much of the saving is in the map finishing, the amount of redrafting that needs to be done. Actually, the map has more information of some kinds than the regular topographic map. It has things like field notes and annotations, so for geologists, it certainly is useful, and perhaps more useful than the regular edition.

Mr. FREDERICK. It does need to be completed, though, Senator, and we will need to maintain a program to finish those at some point. The verification of the information is important.

Senator McCLURE. What are the production costs of the provisional edition map and the standard topographic map?

Dr. PECK. The actual cost in 1982 for a standard edition 7.5-minute map was about $530 per square mile. A provisional edition map costs 15 to 20 percent less than a standard map or from $420 to $450 per square mile.

### MAP REVISION

Senator McCLURE. You report that you have a backlog of approximately 7,000 maps in need of revision and that you expect to revise about 1,300 maps in fiscal year 1984. One thousand three hundred also happens to be about the number of maps that become outdated each year.

You further state that in the best of circumstances, you inspect map areas on no less than a 5-year cycle. If my mathematics are correct, these figures indicate it takes an average of at least 10 years to revise a map. Do you agree with these figures, and do you think that this time lapse is acceptable?

Dr. PECK. I think the basic figures are accurate. The time between revision depends a lot on the area itself, and how many cultural changes are made, new highways and other development—how much is in need of revision.

We also plan over the next 3 years to move more and more into doing the revisions through digital cartography, through the use of the computer, and so we should be getting more efficient in making the revisions. As we go toward completing the once-over coverage of the country by the end of this decade, the balance between revision and original mapping will shift in favor of the revision. So we will be doing better as time goes on.

Senator McCLURE. Of those 7,000 backlogged maps in need of revision, you report that some 4,000 of that 7,000 were compiled some 30 to 50 years ago and are in need of complete or nearly complete revision.

Why has it taken so long to get to them? Are they simply low-priority maps?

Mr. FREDERICK. Yes, sir. I think that's a good assessment of the situation. In those cases, we had a map that met many of the needs. In other areas, we had no map at all, and figured that we really needed to pay attention to the unmapped areas.

Now the earlier mapped areas are becoming more and more important, and we will be paying attention to them over the next few years. As we complete the original coverage, we will shift more of our funds into this area.

Senator McCLURE. How many of the 4,000 maps are in need of complete revision?

Dr. PECK. About 2,000 maps were compiled prior to 1947. We estimate all of these are condidates for complete revision because they predate photogrammetric compilation procedures. About 1,000 to 2,000 of the maps compiled between 1947 and 1957 probably require complete revision, making a total of between 3,000 to 4,000 maps in the Nation which might need complete revision depending on user requirements. Maps completed after 1957 were compiled using relatively modern techniques and instruments and should not require complete revision except where changes are extreme.

Senator McClure. Are you proposing to completely revise just 60 maps in fiscal year 1984 because of the excessive cost of about $600 per square mile?

Dr. Peck. Yes; resources available for revision coupled with the high cost of complete revision limits capacity to about 60 of the very highest priority quadrangle maps.

Senator McClure. As the production cost of new primary quadrangle mapping is only $440, common sense indicates you could increase this 60 considerably if you produced new quadrangles rather than completely revise old ones. If this is the case, why are you completely revising any?

Dr. Peck. The stated cost of complete revision is higher than the cost of new mapping because maps needing complete revision are mostly in heavily populated areas where urban development increases the complexities of mapping. The complete revision process is essentially the same as the new mapping process and the costs will be the same when mapping the same type of terrain with the same level of detail.

### RETENTION OF MAP RECEIPTS

Senator McClure. For 1984, you are proposing a new budget line item entitled "Receipts for printing and distribution." If I understand it correctly, you are merely proposing that receipts from map sales be retained by USGS rather than going to the Treasury. Is that correct?

Dr. Peck. Yes; that's correct, Senator.

Senator McClure. You indicate in the justification that this will alleviate the problem of having to print and distribute more maps than planned within existing resources when public demand for such maps increases. Very frankly, I fail to see how giving you receipts directly can truly help solve this problem when you are using these receipts merely to offset other new budget authority. Can you tell me what the relationship is?

Dr. Peck. Under the present system, all of the receipts go directly to the Treasury, and that means—let's say one of our maps is very popular and we have to reprint it. The cost of reprinting that map and distributing it will come out of our program funds. Under the new system, we are able to keep those receipts. Then if we sell more maps, we get enough money from that sale to cover the costs of printing and distribution.

Senator McClure. But you're treating this as a permanent, indefinite appropriation, rather than as an offset to the budget.

Isn't it really an offset?

Dr. Peck. Initially, this year, it's an offset to the budget.

Senator McClure. Well, won't it be in every year?

Mr. FREDERICK. Well, I am not sure I have the terminology correct, Senator, but essentially it is an offset to the budget. We aren't asking for any appropriated funds after this year to support that item. We are asking that the receipts be retained for the purpose of printing and distributing those maps. If we sell more maps, and we intend to sell more maps, because the demand is increasing, we will have the funds cycled back to us to meet that printing and distribution workload.

Senator McCLURE. Do you have the maps on hand now, or do you need the money to produce the maps?

Mr. FREDERICK. We think we have a reasonable stock of maps.

Senator McCLURE. Then why do you need the appropriation this year?

Mr. FREDERICK. That's why we need the appropriation for 1983, and we need the——

Senator McCLURE. Why don't you just use the maps you already have and recycle the money?

Mr. FREDERICK. I believe that's what we intend to do.

Senator McCLURE. If that's the case, you don't need the money this year.

Mr. FREDERICK. We aren't asking for that money this year, Senator. We are not asking——

Senator McCLURE. You are not asking for it?

Mr. FREDERICK [continuing]. For the $8.5 million.

Dr. PECK. We are asking—for 1984 we are estimating that we will receive from the sale of maps the $8.5 million, so that we are cutting the budget request about that same amount.

Senator McCLURE. But you are offsetting against other expenditures by that amount.

Mr. FREDERICK. Senator, we have the money in the 1983 budget to cover printing and distribution, and that is appropriated funds.

For 1984, we are asking for two things: One is the authority to use the receipts from map sales; and we are asking you to give us the permission to spend that money for printing and distribution. We aren't asking for a new appropriation.

### SIDE-LOOKING AIRBORNE RADAR

Senator McCLURE. You are again this year proposing no funds for the side-looking airborne radar program. What have you accomplished with the funds that have been provided for the past 2 fiscal years?

Dr. PECK. [Showing map.] We have contracted for a number of areas in side-looking airborne radar imagery, as shown on this chart. The yellow and green are areas that were acquired with past funds. The yellow areas in Appalachia is imagery that just came to us very recently, and we have another poster to show that.

With the current year's funds, we will be acquiring a good deal of imagery covering most of Appalachia and on up into New England. We have gone to the State geologists in the eastern United States and gotten their priorities, and also talked to our scientists, and within the next several months we will have a request for proposals and go out on a contract to purchase the imagery that will cover most but not all the cross-hatched area on the poster. Just exactly how much it will cover will depend on the bids.

Senator McClure. Might I then indicate, so the record will show what shows on the chart, that you have done the Aleutians, one area in Northern Alaska, one area in Nevada, and the balance has been in Appalachia.

Dr. Peck. Yes; that's correct.

The attempt was to get imagery in a number of different areas of different geology, different topography, different vegetation, in order—and different geologic problems—to see the utility of it.

This is the [showing map] recently acquired imagery for the Harrisburg quadrangle in Pennsylvania. The folded paleozoic sediments show up very well, and quartzite underlying the ridges. But you can see that on an aerial photo or a topographic map, as far as that goes. But by a close review of that SLAR imagery you can see fractures, thrust faults, where you have very closely spaced faults and increased porosity.

So I think the imagery will be of use in revealing areas of higher fracture porosity that might be good areas to look for natural gas, for example.

Senator McClure. Didn't I understand from the previous chart that you have enough money to complete that area which is cross hatched?

Dr. Peck. Most of that area.

Senator McClure. Most of that area, but not all of it.

Dr. Peck. Yes.

Senator McClure. Is that correct?

Dr. Peck. That's right.

Senator McClure. That would appear to be a larger area than that which you have already completed.

Dr. Peck. Yes; well, the Alaska—as usual, Alaska isn't at the same scale as the rest of the country.

Mr. Frederick. The Aleutians cover a rather large territory and acquisition costs there are higher due to mobilization costs and climatic restrictions.

Dr. Peck. That's right, and you do get more for your buck if you contract for contiguous areas, so that it can be done in one operation.

Senator McClure. As you know, SLAR has its own constituency here in the Congress, and it has been reported to us that SLAR is of great assistance in developing data which shows high potential areas of energy and mineral resources. If that's the case—and I gather from your comments that it has value in that regard—why shouldn't we continue the program?

Dr. Peck. Well, it is—it has some utility, and I have said that all along. It's a matter of balancing the budget requirements for this versus other programs at a time when funds are very curtailed. And the imagery is available from private industry, by the public.

## COMPARISON OF SLAR COSTS

Senator McClure. What is the cost of collecting typical SLAR data as opposed to other mapping programs of the Survey?

Dr. Peck. Let's see. The cost for that was about $100,000?

Senator McClure. For?

Dr. Peck. For an area of a 2-degree quadrangle. Now, Mr. Southard could perhaps contrast that to the cost of their photo coverage, or to the cost of topographic coverage.

Mr. Southard. Senator McClure, that's about a 7,000-square-mile area. We could cover that 7,000-square-mile area with high-altitude photography of the kind that we are flying over other parts of the country for less money than that, for maybe $50,000 to $60,000. Our assessment is that SLAR offers a different presentation of the terrain of an area. It could be concluded that the difference makes it worthwhile. It's not that one is cheaper. It's a question of mapping an area carefully by scientific means. This different look by very carefully planned SLAR can be useful.

Senator McClure. Do you have specific examples of industries or companies that have, in fact, invested in collecting SLAR data?

Dr. Peck. Yes; my impression is that Columbia Gas has invested in SLAR data over the last several years, and used it in their exploration program for natural gas in Appalachia.

Mr. Frederick. Senator McClure, the radar collecting companies have flown on spec in several parts of the country including parts of Alaska as well as parts of the western United States, and we can probably give you that information if you are interested.

Senator McClure. I would be interested in seeing it. I know that without doubt this subject is going to be raised again.

Dr. Peck. Yes, sir. We will provide that for the record.

[The information follows:]

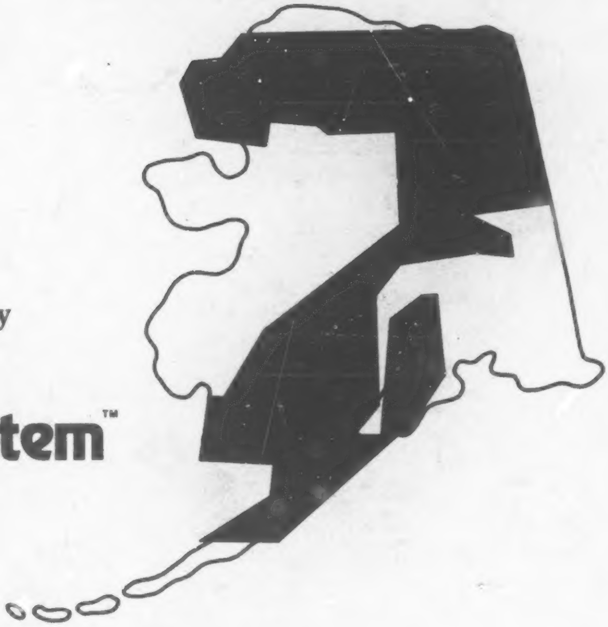
### SLAR Data Gathered by Industry

SLAR data flown on speculation and available from the private sector is shown in the attached four maps.

Attachment 1—Alaskan coverage—Aero Service.
Attachment 2—Contiguous U.S. coverage—Aero Service.
Attachment 3—Contiguous U.S. coverage—MARS Inc.
Attachment 4—Contiguous U.S. coverage—Goodyear Aerospace.

## Alaska
## Non-Exclusive
## Proprietary Imagery

# SAR System™
# Imagery



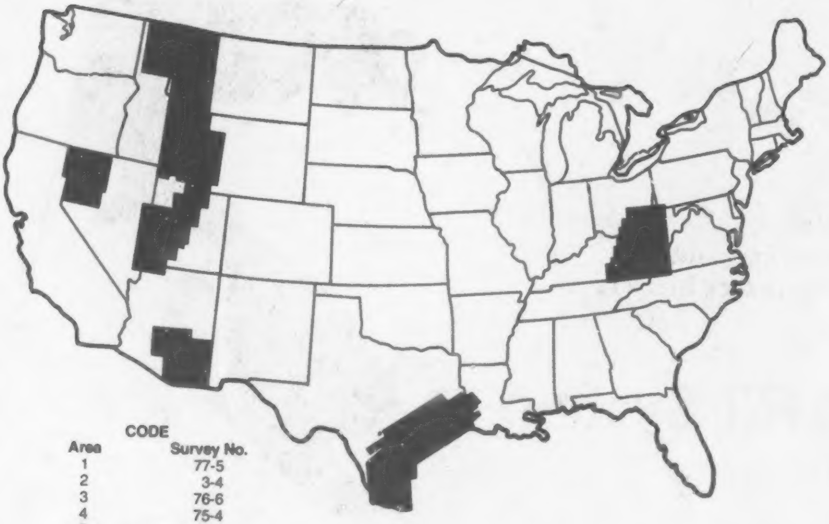
Aero Service has completed approximately 700,000 square kilometers of Synthetic Aperture Radar (SAR) imagery in five areas of Alaska. This imagery is offered on a non-exclusive proprietary, right-to-use basis in the form of mosaics and strip prints. Aero can also provide geological interpretation of SAR System imagery.

CODE

| Area | Area Name | Survey No. |
|---|---|---|
| 1 | Cook Inlet | 80-9 |
| 2 | Alaskan Peninsula | 80-11 |
| 3 | Interior Basin | 80-12 |
| 4 | Yukon Basin | 80-13 |
| 5 | North Slope | 80-14 |

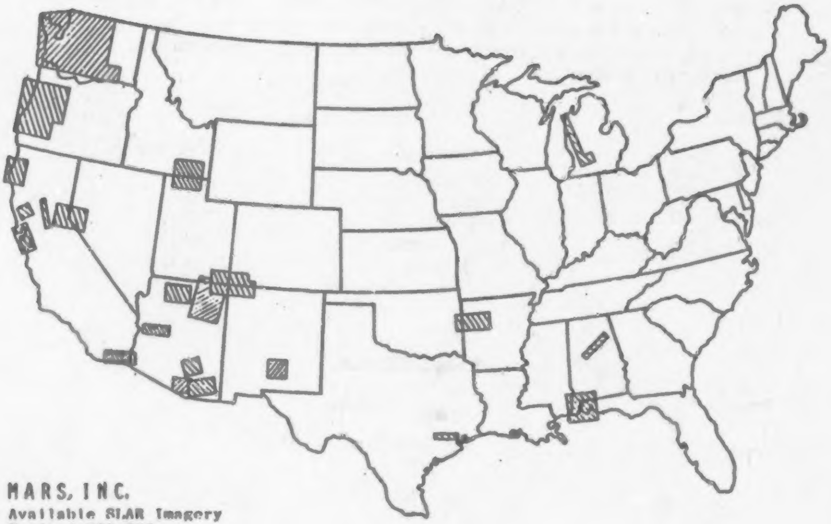
**AERO SERVICE**

## UNITED STATES



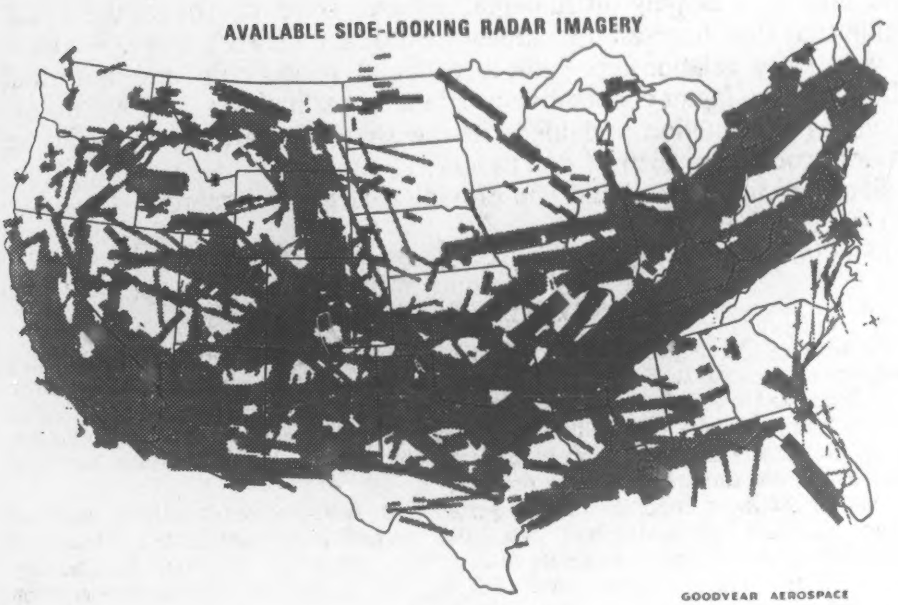
CODE

| Area | Survey No. |
|---|---|
| 1 | 77-5 |
| 2 | 3-4 |
| 3 | 76-6 |
| 4 | 75-4 |
| 5 | 80-1 |



MARS, INC.
Available SLAR Imagery
Scale 1:250,000
(revised 8 Jan 80)

AVAILABLE SIDE-LOOKING RADAR IMAGERY



GOODYEAR AEROSPACE

GEOLOGIC AND MINERALS RESOURCES

Senator McCLURE. Moving to geologic and minerals resources, you are again this year proposing significant reductions in both earthquake and volcano hazards research.

EARTHQUAKE HAZARDS PROGRAM

First, with regard to earthquake hazards reduction, how much progress have you made in the development of techniques to estimate increased earthquake potential and short-term predictions?

Dr. PECK. We have made a good deal of progress over the last few years and developed a better understanding of how to estimate earthquake potential and how to estimate the recurrence interval along faults. We do this by trenching across the fault and looking for evidence of past earthquakes, and dating that uses radiocarbon and other techniques.

We have made progress toward developing the capability to do short-term predictions in that we have a large network of instruments along the San Andreas fault and elsewhere in the West. We are measuring more phenomena, like the shift across the fault, and the uplift of areas in southern California. We are getting a better understanding of where the process is going on, but we do not at this stage have the knowledge to unequivocally predict an earthquake in the short term. We are not there yet.

Senator McCLURE. In this regard, what have you learned from your scientific exchanges with Japan and the People's Republic of China?

Dr. PECK. Well, the Japanese have for many years, for over 20 years, had a high level, a very active earthquake prediction research program, and they have heavily instrumented an area south of Tokyo, the Tokai Peninsula; they have an operational earthquake network there. We have a very close relationship, both a collegial relationship and a formal United States-Japan cooperative program in earthquakes, and we are exchanging information and ideas all the time, but specifically what we have learned from them, I don't know.

Senator McClure. Could you provide that for the record?

Dr. Peck. Yes, sir.

[The information follows:]

### Information Gained From Scientific Exchange

We have gained a great deal of valuable information and experience in estimating earthquake potential and making short-term predictions from our scientific exchange with Japan and the People's Republic of China. Both countries have a much higher level of seismic activity than in the United States so they have had more opportunities to acquire data within and adjacent to large observational networks which has been beneficial to our earthquake hazards program.

Some of the more important benefits gained from these exchanges include: access to a very long data base dating back over 2,000 years is being used to test concepts of earthquake potential and average recurrence rates; techniques in dating fault activity (that is, quantifying the seismic cycle of faults); earthquake prediction instrumentation (for example, dilatometer); acquisition of valuable case histories of earthquake prediction; earthquake prediction data analysis techniques; and a model for earthquake prediction management and assignment of societal responsibilities.

Based on our own work and the knowledge acquired through these exchanges, we have confirmed that seismograph networks, geodetic strain-monitoring networks containing several hundred survey lines, fault monitoring, studies of crustal deformation, and various other geochemical and geophysical measurements are the most useful for estimating increased earthquake potential.

### EARTHQUAKE PREDICTION

Dr. Peck. We also have had an active program over the years with the Soviet Union, who have had some successes in predicting earthquakes, and we currently have a very active program with the Chinese.

In some areas, such as Japan and China, they have an advantage over us in predicting earthquakes, because they have a history going back thousands of years, and many earthquakes have happened during that period, and earthquakes tend to happen the same way in the same area. You get clustering of phenomena. The foreshocks are always about the same, or clustering of major earthquakes—or it is very easy to see uplift of the ground preceeding the earthquake. That historic record is a great advantage in knowing how to predict earthquakes.

Senator McClure. Well, two-thirds of your proposed budget decrease, or $4 million, is in this area. Are you in fact crippling the program to the point that little, if any, progress in earthquake prediction will be made?

Dr. Peck. The earthquake program is still a substantial program, about $30 million, and we are going to have to recess or stretch out some of the laboratory and theoretical long-range work. Some of that may be picked up by the National Science Foundation, because they have an increase in their program. A fair proportion of the earthquake prediction work is done by university scientists throughout the country. They can submit proposals to the National Science Foundation. We are doing our darndest to maintain the essential network of seismographs and distance-measuring devices so that we can gather the data that is absolutely critical to learn how to predict eruptions. And with the generosity of Congress over this last year, we were given a $4 million increase for the current year, and much of that we're putting into such things as down hole seismometers and strain-measuring devices along the San Andreas fault, or additional equipment, like two-color laser geodemeters, which will give us a leg up on it. So we still have a very healthy program, and a viable program.

Senator McClure. I will submit further questions in that regard.

### VOLCANO HAZARDS RESEARCH

For volcano hazards research you have requested a 1984 appropriation of $7,392,000, a decrease of $3.5 million, or 32 percent from the 1984 base level. As you report in your justification, this level of funding will "maintain skeletal monitoring networks within the Cascade Range for the detection of possible activity."

As with the earthquake hazards request, aren't we in a sense inviting trouble if we approve the reduced budget you have proposed?

Dr. Peck. If I may, Senator, I would like to recount a little history of the budgetmaking as it pertains to this. We actually were requesting a $500,000 increase in the program from the President's budget of 1983, and then the Congress added $4 million very late in the year, in December.

We are concerned that the proposed reduction is stretching the budget rather thinly, but I don't think we are jeopardizing the health of the program. It is still a substantial program, but there has been, since that budget was formulated and submitted, continued activity at Kilauea, at St. Helens, which is continually active and quite a flurry of activity in Long Valley in January. It will be stretched thin, but the Department is requesting emergency authority to switch funds in case of a damaging earthquake or a volcanic eruption, so that if things really break loose at St. Helens or Long Valley, given the consent by Congress, the Secretary will have authority in the Department to switch funds from other funding areas to help augment that program.

Senator McClure. Well, you have already identified two areas of activities that may be greater than that anticipated at the time you submitted your budget request. I think in view of that it may be more predictable that increased activity is required rather than just simply to say that, "Well, maybe we will watch it and if we need some more we will take it from somewhere else."

Dr. Peck. Well, we will maintain the essential——

Senator McClure. I assume that you don't have fat lying around anywhere else.

Dr. Peck. Well, this authority is within the whole Department, not just in the Geological Survey.

Senator McClure. I am sure that is true.

### SPIRIT LAKE DEBRIS DAM

Can you provide for the committee a brief explanation of the debris dam problem at Spirit Lake?

Dr. Peck. Yes; we would be pleased to, Senator. We have some of our charts.

The situation is that in the May 1980 eruption of St. Helens debris was blasted out, and it raised the level of the dam and filled up part of the lake. The lake is now—oh, those figures escape me, but perhaps 50, 75 feet below the rim.

We are concerned, the Corps of Engineers and Forest Service are concerned that if that lake level rises up, as it will naturally with the snow melting and the rainfall, that it will either break through the porous top of the dam or overflow the dam. So the Corps of Engineers is now pumping water out of the lake and maintaining the same level, and they are considering a variety of other alternatives; for example, putting a tunnel into another drainage area to draw the water off. That would be a long-term solution.

In the meantime, Spirit Lake is just below the summit of St. Helens. We are monitoring that St. Helens volcano very carefully so that we can provide warning so they can move the Corps of Engineers crew from the dam at Spirit Lake out to safety at a time when the volcano is erupting.

What is shown here on the chart in brown is the area of the May 1980 mudflow, and the rather thin red lines show the mudflow that we calculate by our computer program would be formed if that debris dam goes out.

We did this study at the behest of FEMA. It is sort of a worst case, but it is the worst plausible case.

At the same time, we are also——

Senator McClure. But it is a plausible case?

Dr. Peck. That is right. We are also monitoring—we have a number of monitors of the lake level and just downstream from the lake, and a satellite relay communications system, so that if anything should happen we would have instant notice of it, and it will take many hours, like 10 to 15 hours, for that mudflow to get down to the towns in the lower valley.

So I think we have a good arrangement for warning the local people, and FEMA has done a good job in getting everybody up to speed about what the problem is and to develop plans for evacuation.

Senator McClure. Well, if I understand you correctly, you provide basic data.

Dr. Peck. Yes.

Senator McClure. FEMA provides the emergency services response mechanism. The Corps will do whatever actual physical work is done.

Dr. Peck. Yes.

Senator McCLURE. Am I correct in that division?

Dr. PECK. Yes; and we do some work for the Corps to learn more about the nature of the debris dam and what seismic hazards are involved.

Senator McCLURE. What is the projected cost to resolve the Spirit Lake debris dam?

Dr. PECK. Final resolution of the Spirit Lake problem will presumably require the construction of engineering works to effect stabilization of the lake level without pumping. The U.S. Army Corps of Engineers has been assigned the lead role in developing plans for such a solution; we anticipate that these plans will be supplied to the U.S. Geological Survey for review within the next few months; until we have seen the plans, we will have no way to offer comment on the projected costs. The Geological Survey is providing technical input to the Corps of Engineers in support of the Corps development of a comprehensive plan.

Senator McCLURE. I assume that you have coordinated with them with respect to their budget submissions for these activities so that each of you know what the other is doing and know that there are no gaps between activities?

Dr. PECK. Well, we certainly coordinate very well, both at the local level and here at headquarters level as far as general plans. I don't know about the budget coordination. I think we have made a good deal of progress over the last year, Senator, in coordinating many activities with FEMA.

### REACTOR HAZARDS RESEARCH

Senator McCLURE. Under reactor hazards research, you indicate that Congress has required the Nuclear Regulatory Commission to complete the licensing of at least 30 plants within the next 2 years. In this regard you are responsible for providing miscellaneous geologic information to the NRC so that proper decisions can be made.

In this light, why are you proposing a reduction in this activity of nearly 47 percent from the 1984 base level?

Dr. PECK. Actually, we have two programs in reactor hazards. One is a program where—it is a repay program from the Nuclear Regulatory Commission. So when we are in a position of giving them advice or in carrying out research directly applicable to their program, such as our work we have done over the years at Charleston, that is done on a repay basis with their funds.

What we are discussing here is the directly funded program which is a basic research program that supports that activity. During the next several years when they will be coming to us for advice, we will be in a position to respond, and we will be getting funds from them to respond. This will cut back more of the long-term research on techniques for dating the movement along faults and for doing studies of specific interest.

Senator McCLURE. Do I understand you correctly to say that you are prepared and in a position to respond in a timely fashion to their requirements over the next 2 years?

Dr. PECK. That is right, and we will be funded by them to do it.

Senator MCCLURE. So the funding comes through them rather than in your own budget?

Dr. PECK. For that supportive role.

Senator MCCLURE. But are you sufficiently staffed to handle that activity level?

Dr. PECK. Yes.

Senator MCCLURE. So there will be no delay in their procedures based upon your work?

Dr. PECK. Not because of us.

### BARROW GASFIELDS

Senator MCCLURE. All right. As you have indicated in your justification, negotiations are underway which would transfer title of the Barrow gasfields over to the North Slope Borough.

Briefly, how are those negotiations proceeding?

Dr. PECK. Well, Deputy Under Secretary Bill Horn and Secretary Watt have been taking the lead in those negotiations, and they are in the final stages. Well, they have been in the final stages for some time, but I think they are really in the final stages. I gather that it is down to some——

Senator MCCLURE. Well, when will they really be in the final stages? [Laughter.]

Dr. PECK. Actually, Bill Horn has done a really very fine job, and the Secretary has been very supportive, and they are down to arguing over some gravel deposits and access.

The major elements of an agreement are worked out and are mutually agreeable.

Senator MCCLURE. Do you have a proposed schedule for completing the transfer?

Dr. PECK. We hope to have agreement between the Department and the North Slope Borough within a few weeks.

Senator MCCLURE. Within a few weeks?

Dr. PECK. Yes.

Mr. FREDERICK. We actually hope to execute the transfer, Senator McClure, before the end of this fiscal year, before the end of September of this year.

Senator MCCLURE. It requires some legislation, does it not?

Mr. FREDERICK. Yes, sir, it requires congressional approval.

Senator MCCLURE. What is the proposed date for introduction of the necessary legislation?

Mr. FREDERICK. As soon as we reach agreement with the North Slope Borough, and we hope that to be within the month. Bill Horn thinks he can do it within 2 weeks.

Senator MCCLURE. Two?

Mr. FREDERICK. Two weeks, sir.

Senator MCCLURE. Within 2 to 4 weeks, we ought to have most legislation up here.

Mr. **FREDERICK**. Yes; we ought to have something to offer the Congress.

Senator **McCLURE**. Thank you.

Mr. **PENDLEY**. We have briefed the Alaska delegation—U.S. Geological Survey, and Deputy Under Secretary Bill Horn have briefed the Alaska delegation, and we should make sure that we have briefed your staff on what to expect, and we would expect Senator Stevens would be introducing that legislation as soon as we get it over here.

Mr. **PENDLEY**. Senator?

Senator **McCLURE**. Yes.

Mr. **PENDLEY**. If I could add one final point. Just 10 minutes ago, the President—the White House did release a statement with regard to exclusive economic zone, and the President has signed that proclamation. So thank you for your help.

Senator **McCLURE**. Very good, I appreciate that, and I appreciate the charts you have provided, too.

Mr. **PENDLEY**. Thank you, sir.

## ADDITIONAL COMMITTEE QUESTIONS

Senator **McCLURE**. Thank you very much for your testimony this afternoon. We have only sketchily covered some of the areas.

I will submit more questions, and there may be others of the committee that do also for your response for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### DIGITAL CARTOGRAPHY

Question. When do you expect to complete the National Digital Cartographic Data Base?

Answer. The primary goal of the Digital Cartographic Program is not simply to develop a nationwide digital cartographic data base in 7.5-minute or any other single format. Rather, the goal of the program is to provide digital cartographic data in several standard formats, scales, and accuracies in response to specific, high-priority Federal requirements. These data are then added to the National Digital Cartographic Data Base. Federal requirements may ultimately be for nationwide - except Alaska - coverage at 7.5-minute format (1:24,000 scale) and may include all basic map data categories. The rapidly advancing technology and the diverse user needs make it impossible at this time to determine when the data base would be complete.

Question. When do you expect storage of this data base to be totally adapted to the optical disc mass storage technology?

Answer. An optical disc storage prototype system is planned for acquisition in FY 1983. Because this is an emerging technology, this system will need to be evaluated before deciding to store the entire digital cartographic data base on this medium.

### MAP INVENTORY CONTROL AND DISTRIBUTION SYSTEM

Question. When do you expect that the design for the automated Map Inventory Control and Distribution System will be completed and implemented? Who is designing the system and what are the costs associated with this contract?

Answer. The inventory control portion of this system has been designed and is scheduled for implementation in the 3rd quarter of FY 1983. The order entry and accounts processing portions are scheduled for design and implementation in the Distribution Centers in the 1st quarter of FY 1984, and implemention in the Public Inquiries Offices in the 4th quarter of FY 1984. The system is being designed under contract by Technicolor Government Services, Inc. The estimated costs associated with this contract are $450,000 for software development and $600,000 for hardware.

### INTERMEDIATE-SCALE MAPPING

Question. For Intermediate-Scale Mapping, you are proposing a 22 percent reduction of some $1,500,000 from the 1984 base level. Because of this reduction, you will only be able to meet "the highest priority civilian Federal needs for map products which serve a multiplicity of requirements." In this regard, you go on to state you will not provide appropriated funds to support production of Intermediate-Scale Maps prepared to meet Department of Defense (DOD) domestic mapping requirements. Are these DOD maps not considered a priority? Will you produce these maps for DOD on a reimbursable basis? Is DOD being singled out in this regard? For the record, please provide the priority list of intermediate-scale map products, the cost of each, and indicate those which will be funded under your 1984 budget and those which will not.

Answer. The maps produced for the Department of Defense (DOD) by the U.S. Geological Survey are special format 1:50,000-scale topographic quadrangles which provide map coverage of military bases and training areas. Recognizing that reduced USGS funds are not adequate for meeting both DOD mapping priorities for 1:50,000-scale maps and multi-agency requests for other intermediate-scale products, DOD has agreed to seek additional funds to continue this mapping effort at USGS on a reimbursable basis. Following is information on priorities to be addressed in FY 1984 and costs of intermediate-scale map products:

### Intermediate-Scale Products

- o 1:100,000-scale quadrangle - $35,000 for published edition. This series is highest priority since it is designed to serve as a base for many other agencies' resource data bases. Requesting agencies include:

- Bureau of Land Management has had the largest number of requirements for this series since the start of the program. They need coverage for the 29 Public Land Survey System (PLSS) States plus all coastal areas. This totals about 80 percent of the conterminous U.S. and is used in support of surface and leasing management.

- Bureau of the Census has a requirement for digitized conterminous U.S. transportation and drainage data at 1:100,000-scale by the end of 1987 for pre-census field operations.

- USGS (Geologic Division) needs topographic materials particularly for plotting mineral occurrances, especially in the Appalachian Region, Great Plains coal fields, and Rocky Mountains. Digital Elevation Models (DEM's) meet most of these needs. Areas of interest include about 25 percent of conterminous U.S.

- Fish & Wildlife Service is preparing a Federal Wetlands Inventory at 1:100,000-scale for the conterminous U.S. Numerous planimetric requirements fall in the East, Great Lakes, and Pacific Northwest, but they have requirements for all 1,812 quadrangles in the 1:100,000-scale series.

- Soil Conservation Service needs planimetric base materials at 1:100,000-scale for more than 2,000 counties, or over 2/3 of the conterminous U.S. They have requirements for digitized sectional data in the PLSS States.

- Forest Service has requirements for 1:100,000-scale topographic maps of National Forest and related areas. This represents about 20 percent of the conterminous U.S. Forest Service also has requirements for DEM's.

- States: Florida, Georgia, and Nevada have provided cost share funding for 1:100,000-scale quadrangle production. Many states are planning to use or are using digitized 1:100,000-scale data for land management and inventory systems.

- o County-format maps - $50,000 for published edition. County formated maps are produced at the 1:100,000 and 1:50,000 scales, only on a jointly funded basis. Principal cooperators have included Colorado (full state coverage), Connecticut, Kansas, Kentucky, Pennsylvania, and Virginia.

- o 1:50,000-scale Defense Mapping Agency quads - $25,000 for published edition. Currently authorized projects will be completed in FY 1983 with appropriated USGS funds. Beginning in FY 1984 we have proposed that these maps be produced on a repay basis using DOD funds.

## EARTHQUAKE HAZARDS REDUCTION

Question. For the record, please provide a detailed breakdown by State of the Earthquake Hazards Reduction budget for each of Fiscal Years 1982, 1983, and 1984.

Answer.

| | Thousands of dollars | | |
|---|---|---|---|
| | FY 1982 | FY 1983 | FY 1984 Estimate |
| Regional Monitoring and Earthquake Potential Studies | $ 7,772 | $ 8,003 | $ 6,230 |
| (a) USGS or USGS-supported regional seismograph networks.<br>Principally in California, Oregon, Washington, and Alaska; also in Hawaii, Nevada, Utah, Idaho, New Mexico, Missouri, Tennessee, Arkansas, Kentucky, Illinois, Indiana, South Carolina, Pennsylvania, New Jersey, New York, Vermont, Puerto Rico | | | |
| (b) Geometry and structure of seismic zones.<br>Principally in California, Oregon, Washington, and Alaska; also in Hawaii, Nevada, Utah, Idaho, New Mexico, Missouri, Tennessee, Arkansas, Kentucky, Illinois, Indiana, South Carolina, Pennyslvania, New Jersey, New York, Vermont, Puerto Rico | | | |
| (c) Estimates of fault slip rates, maximum earthquakes, and recurrence intervals for active faults and seismogenic zones.<br>Principally in California and Nevada; also in Alaska, Utah, Arizona, New Mexico, Colorado, Missouri,Tennessee, Arkansas | | | |
| Earthquake Prediction | $12,636 | $13,907 | $10,302 |
| (a) Development of earthquake prediction methods and techniques to provide a rational basis for estimates of earthquake potential and short-term predictions.<br>Principally in California; also in Washington, Nevada, Utah, Missouri, Tennessee, Arkansas | | | |
| (b) Evaluation in probabilistic terms of the relevance of various geophysical, geochemical, and hydrological data to increased earthquake potential.<br>California, Washington, Nevada, Alaska | | | |
| (c) Development of theoretical and laboratory models of the earthquake process to guide observational experiments and to test empirical predictive techniques.<br>Principally in California, Washington, Colorado, New York, and Massachusetts; also in Rhode Island, Illinois, Pennsylvania, Missouri, Texas | | | |
| (d) Determination of the physical mechanism for reservoir-induced seismicity and development of techniques for predicting and mitigating this phenomenon.<br>South Carolina, California | | | |
| Hazard Assessments in Urban Region Hazards | $ 5,438 | $ 5,460 | $ 5,615 |
| (a) Preparation of synthesis reports and maps that assess earthquake hazards in urban regions at risk to damaging earthquakes.<br>Principally in California, Washington, and Utah; also in Alaska, Nevada, Colorado, Missouri, Tennessee, New York, South Carolina | | | |
| (b) Development of techniques for estimating strong ground shaking, ground failure, and other earthquake-related hazards in urban regions.<br>California, Colorado, Utah | | | |
| (c) Research and specific studies to estimate more accurately potential losses due to earthquakes.<br>California, Colorado, Wyoming | | | |

| | | | |
|---|---|---|---|
| Data and Information Services | $ 4,231 | $ 4,248 | $ 4,367 |
| (a) National Earthquake Information Service<br>Headquarters located in Colorado; distributes seismologic information received from U.S. and worldwide stations. | | | |
| (b) Worldwide Standardized Seismograph Network<br>U.S. stations in Michigan, New Mexico, Georgia, Virginia, California, Montana, Oregon, Texas, Utah, Missouri, District of Columbia, Colorado, Guam, Wisconsin, Minnesota, New Jersey, Mississippi, South Dakota, Alabama, Puerto Rico, Arizona, Massachusetts, Alaska, Pennsylvania | | | |
| (c) Global Digital Seismograph Network<br>U.S. stations in Alaska, California, Washington, Pennsylvania, New Mexico | | | |
| Engineering Seismology | $ 2,915 | $ 2,927 | $ 3,010 |
| (a) Operation of the National Earthquake Strong Motion Network.<br>Accelerographs are deployed in practically all 50 States, Puerto Rico, the Virgin Islands, and Guam. | | | |
| (b) Archival of strong ground motion data and dissemination of the information to engineers, designers, private institutions, and government agencies.<br>The strong ground motion data is archived at the U.S. Geological Survey Western Region Headquarters in Menlo Park, California; however, the ground motion data are distributed nationwide. | | | |
| (c) Development of techniques and standards for presenting strong motion data in a useful context.<br>Primarily in California. | | | |
| TOTALS | $32,992 | $34,545 | $29,524 |

## VOLCANOES

Question. At what level will you be funding hydrologic hazard assessments activities at the various Cascade and other volcanoes, including Mount St. Helens? How does this level compare with fiscal years 1980, 1981, 1982, and 1983?

Answer. To mitigate the present danger to human life posed by the debris-blocked Spirit Lake, the Geological Survey maintains a flood and mudflow warning system in conjunction with the National Weather Service. This system will provide public officials with advance warning of an impending flood or mudflow caused by a debris dam failure. The cost of maintaining this system is approximately $150,000 per year.

In addition, we are continuing to assess the stability of the debris dam at Coldwater and South Fork Castle Lakes, as well as at Spirit Lake, and to evaluate the flooding and mudflows that could result from a dam failure at any of these sites. As mentioned earlier, we developed mudflow models and released a report "Mudflow Hazards Along the Toutle and Cowlitz Rivers from a Hypothetical Failure of Spirit Lake Blockage" last January. Additional models will be developed to determine the impacts of potential mudflows on the Columbia River.

We continue to conduct research on the total suite of interactive processes responsible for the lingering flood hazards in the Toutle River and Lewis River drainages in order to define more clearly the existing hydrologic hazards and to predict future trends. Knowledge gained from this research will increase our understanding of the mechanics of rivers draining terrains of high sediment yield and help us plan for a more effective response to hydrologic hazards posed by future eruptions of Mount St. Helens and other volcanoes.

The funding for hydrologic hazards assessments at Mount St. Helens and other Cascade volcanoes is summarized as follows for fiscal years 1980-1984. No funds are requested for other volcanoes in FY 1984 reflecting the completion of assessments at Mount Rainier, Washington; Mount Hood, Oregon; and Mount Shasta, California, in FY 1983.

Hydrologic Hazards Assessment Funding
(Dollars in thousands)

| Volcanoes | Fiscal Years<br>1980 | 1981 | 1982 | 1983 | 1984 (est.) |
|---|---|---|---|---|---|
| Mount St. Helens | $ 450 | 910 | 700 | 1150 | 725 |
| Other Volcanoes | 0 | 710 | 220 | 150 | 0 |

Question: Isn't there a relationship among several of the Western mountain ranges that would indicate the wisdom of a viable montoring program throughout the area? Doesn't the persistent volcanic activity in the Cascades tell us the logical approach is to continue more than skeletal monitoring throughout the range?

Answer: Yes, there is a tectonic relationship among the major structural and volcanic features of the Cascades and Sierra Nevada Ranges, and since 1975, there has been a noticeable increase in seismic and volcanic unrest in several areas of these western mountain ranges. The increased activity prompted us to expand our monitoring capability in these areas. The requested FY 1984 funding would reduce the monitoring activities in some of these areas, but limited seismic monitoring networks would be retained in areas that have recently shown active unrest. These limited networks will provide the same kind of advance warning that the pre-eruption network at Mount St. Helens provided in 1980 -- that is, a week or somewhat more before the initial outbreak.

Question: The Kilauea Volcano within the Hawaii Volcanoes National Park has erupted at least three times over the past year, the most recent just a few weeks ago. These eruptions no doubt result in increased activity at the Hawaiian Volcano Observatory and at other areas around the volcano. Has this increased activity accelerated the depletion of funds allocated to the observatory? Will funds be drawn from other sources to make up any projected shortfall?

Answer: Yes, over $200,000 in unexpected expenses have been incurred as the result of the recent eruptions of Kilauea volcano. To date, the FY 1983 shortfall has been covered by reducing other activities of the Volcano Hazards Program, primarily the fundamental research projects.

## WORLD ENERGY RESOURCE PROGRAM

Question: You are again this year proposing to terminate the World Energy Resource Assessment program. Hasn't this program provided information and assessment of world energy resources which are useful and even necessary for both domestic and international planning by the U.S.?

Answer: The program has over the past three years provided much useful data. A one-time assessment of world oil resources has recently been completed and the Department feels the knowledge gained from this study is sufficient to meet user needs.

Question: Doesn't this program in fact fulfill certain national security requirements not now fulfilled by other Federal agencies? Will any other agency, such as the Central Intelligence Agency, pick up the work under this activity if we approve your proposed budget?

Answer: The program is integrated with certain studies conducted in relation to national security. To our knowledge no other agency is staffed to carry out such a program, nor do we know of plans of other agencies to pick up the work. However, specific assessment work related to the mission responsibilities of other Federal agencies can be performed on a reimbursable basis.

## FLOOD HAZARD ANALYSIS

Question. For Flood Hazard Analysis, you are proposing no funds for fiscal year 1984 and indicate that flood hazard mapping activities in this program "have satisfied most of the urgent demands for this type of information." This statement implies that you have in fact not met some or a few of the urgent demands for information. Is this the case? If so, please identify those urgent demands which have not been met.

Answer. There are no known areas where an urgent need for additional flood-hazard mapping presently exists. However, as land-use patterns change, new needs for this type of mapping will evolve. Such needs can be met within the Federal-State Cooperative Program.

## WATER RESOURCES SCIENTIFIC INFORMATION CENTER

Question. Why are you proposing to discontinue operation of the Water Resources Scientific Information Center transferred to the Survey from the Office of Water Research and Technology? Approximately how many users of this data center did you accommodate in fiscal year 1983? If the Center is discontinued, is there another source where these users can go to secure this information?

Answer. The Water Resources Scientific Information Center is proposed for discontinuance because of emphasis on higher priority work in other programs within the proposed budget. At the present time, there are about 2,000 subscribers to the program's abstracts, and it is estimated that during fiscal year 1983 about 140,000 others will use the printed abstracts through libraries and reference services; there are nearly 6,000 users of the computerized abstract data base. Under the proposed budget, no new abstracts will be produced. However, the stock of existing abstracts would remain in place and special computer searches of the existing information base could continue to be provided by commercial sources.

## ACID RAIN

Question: Under Acid Rain research, your justification indicates that you will open 15 National Trends Network monitoring stations in fiscal year 1983 and plan to open another 25 in fiscal year 1984. Besides those 40, how many more of the total 150 stations planned will be funded and operated by the Survey? How much does it cost to operate each of these stations? Why are so many planned?

For the Committee's files, please provide a map designating the location of each of the stations and indicate which agency or governmental entity will be responsible for each.

Answer: We expect that 40 new National Trends Network (NTN) stations to be implemented in FY 1983 and FY 1984 will represent nearly all of the stations funded and operated by the Geological Survey. The National Trends Network is being developed using an existing multiagency monitoring network sponsored by the Department of Agriculture as a base from which to build. This network, operated as part of the National Atmospheric Deposition Program (NADP) of the Department of Agriculture and the State Agricultural Experiment Stations, has about 110 currently operating stations that meet the geographic location requirements of the network design for the NTN. However, about 20 to 30 of the stations will require upgrading with respect to either the mode of operation or the local siting characteristics to fully meet the NTN design. This upgrading in some cases will be equivalent to establishing an entirely new monitoring station. In addition about 40 new stations are required to complete the NTN network.

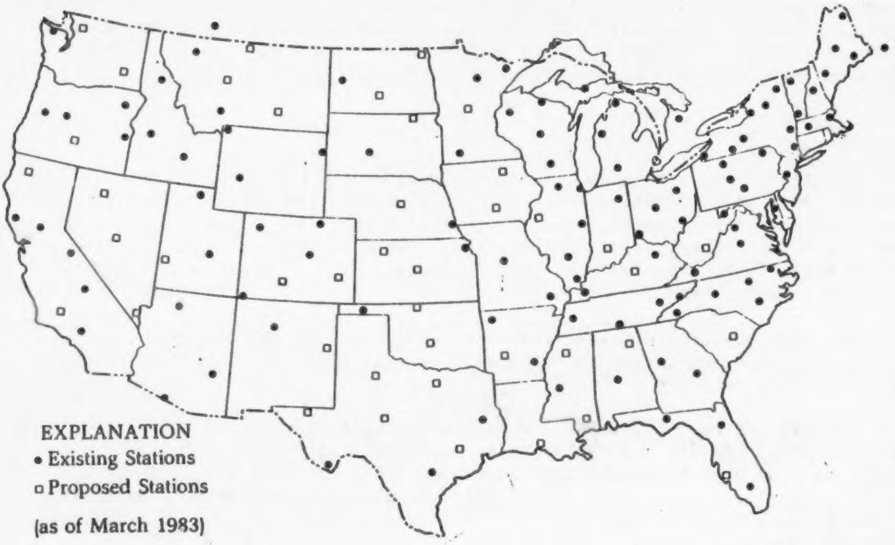
The exact mix of new stations and upgraded stations that the Geological Survey will operate will be determined within the next two months, but the Geological Survey expects to have primary responsibility for about 40 stations altogether. Most of the remaining 110 stations will be funded and operated by a number of other Federal agencies.

The cost of operating an atmospheric deposition monitoring station for sampling "wet" deposition (rain and snow) will vary depending on the remoteness of the site, but we are using an average cost of $15,000 per station per year in our planning. This includes $11,000 for station operations and $4,000 for chemical analyses of the samples.

The National Trends Network was designed to incorporate standard siting and operational criteria established by acid precipitation investigators in the United States and Canada, largely through the National Atmospheric Deposition Program. Specific locations for National Trends Network stations have been selected by the Task Group on Deposition Monitoring, which the Geological Survey chairs, and are based on "Ecoregions of the United States" established by the U.S. Forest Service with consideration given to present knowledge of precipitation acidity and the location of sensitive areas. Using these criteria, it was the best judgment of the Task Group that 150 stations would be required to adequately describe the variability in composition of atmospheric deposition in the conterminous United States. This decision was based on identified deposition data needs of the other task groups in the Interagency Task Force on Acid Precipitation.

The Task Group on Deposition Monitoring is presently identifying which agency will be responsible for operating each of the new monitoring stations. A map showing the 150 station locations and a list of the 150 stations indicating which agency operates each of the ongoing stations is provided for the record.

LOCATIONS OF NATIONAL TRENDS NETWORK (NTN) STATIONS



## NATIONAL TRENDS NETWORK STATIONS

| STATE | NAME OF SITE | ECOREGION | LATITUDE | LONGITUDE | OPERATING AGENCY |
|---|---|---|---|---|---|
| AL | Selma | 2320 | 322900 | 0870500 | UAPSP |
| AL | Sand Mtn Agr Ctr | 2311 | 341600 | 0855900 | |
| ALB | Lethbridge | 2000 | 493900 | 1124800 | Canada |
| AR | Fayetteville | 2215 | 360500 | 0941000 | SAES--U AR |
| AR | Warren | 2312 | 333600 | 0920600 | Potlatch Corp So Div |
| AR | Caddo River | 2320 | 341100 | 0930600 | |
| AZ | Grand Canyon NP | M3120 | 360400 | 1121000 | NPS |
| AZ | Organ Pipe Cactus NP | 3222 | 315700 | 1124700 | NPS |
| AZ | Oliver Knoll | 3140 | 330400 | 1095200 | BLM |
| CA | Davis Site | 2610 | 383200 | 1214600 | SAES--UC Davis |
| CA | Yosemite NP | M2610 | 374700 | 1195200 | NPS |
| CA | Chuchupate Ranger Station | M2620 | 344830 | 1190045 | |
| CA | Sequoia-Kings Canyon NP | M2610 | 363500 | 1184600 | NPS |
| CA | Tanbark Flats | M2620 | 341200 | 1174600 | FS |
| CA | Hopland | M2414 | 390000 | 1230500 | BLM |
| CA | Shasta NF | M2610 | 410000 | 1224400 | |
| CO | Pawnee | 3113 | 404700 | 1044500 | SAES--CSU |
| CO | Los Animas Fish Hatchery | 3113 | 381700 | 1031700 | |
| CO | Manitou | M3113 | 390600 | 1050500 | FS |
| CO | Alder Ranger Station | M3113 | 374300 | 1064300 | |
| CO | Mesa Verde NP | P3132 | 371100 | 1082900 | NPS |
| CO | Sand Spring | A3142 | 403027 | 1074207 | BLM |
| FL | Bradford Forest | 2311 | 295800 | 0821200 | SAES--U FL |
| FL | Quincy | 2311 | 303600 | 0843300 | NOAA-RCS |
| FL | Everglades NP | 4110 | 252000 | 0804000 | NPS |
| FL | Myakka River State Park | 2311 | 271500 | 0821500 | |
| GA | Uvalda | 2311 | 320300 | 0822800 | UAPSP |
| GA | Georgia Station | 2320 | 331100 | 0842400 | SAES--U GA |
| IA | McNay Mem Res Ctr | 2511 | 410300 | 0931800 | |
| IA | Agricultural Sta-Nashua | 2531 | 425400 | 0923200 | |
| ID | Headquarters | M2112 | 463900 | 1154800 | Potlatch Corp W Div |
| ID | Smiths Ferry | M3111 | 441800 | 1160500 | Boise Cascade Corp |
| ID | Craters of the Moon | 3131 | 432800 | 1133400 | BLM |
| IL | Dixon Springs Agr Station | 2215 | 372500 | 0884000 | SAES--U IL |
| IL | Bondville | 2511 | 400300 | 0882200 | SAES--U IL |
| IL | Salem | 2511 | 383900 | 0885800 | EPA/NOAA/WMO |
| IL | Shabbona-No IL Agr Res Ctr | 2511 | 415029 | 0885104 | SAES--U IL |
| IL | Roseville | 2511 | 405000 | 0903000 | |
| IL | Argonne | 2511 | 414200 | 0875900 | Argonne NL |
| IN | Fort Wayne | 2212 | 410200 | 0851900 | UAPSP |
| IN | Agricultural Sta-Bedford | 2212 | 384600 | 0863000 | |
| KS | Lancaster | 2511 | 393400 | 0951800 | UAPSP |
| KS | Kanapolis State Park | 2531 | 384000 | 0980000 | |
| KS | Colby Agr Sta-L&C NF | 2533 | 391000 | 1010000 | |
| KY | Perryville Battlefield St Pk | 2215 | 374000 | 0850000 | |
| KY | Land Between the Lakes | 2215 | 364700 | 0880400 | TVA |
| KY | Clearfield | 2211 | 380800 | 0832700 | UAPSP |
| LA | US Exp Farm-Jeanerette | 2312 | 295600 | 0914100 | |
| MA | Caldwell | 2214 | 421900 | 0722300 | SAES--U MA |
| MA | East | 2214 | 422200 | 0711400 | SAES--U MA |
| MD | Wye | 2320 | 385000 | 0761000 | SAES--U MD |
| ME | Bridgton | 2114 | 440600 | 0704300 | ME Dep Env Prot |
| ME | Winterport | 2114 | 443700 | 0685800 | UAPSP |
| ME | Greenville Station | 2114 | 452500 | 0694000 | SAES--U ME |
| ME | Presque Isle | 2114 | 463900 | 0680000 | NOAA-RCS |
| MI | Chatham | 2113 | 462100 | 0865600 | NOAA-RCS |
| MI | Kellog Biological Station | 2212 | 422900 | 0852300 | SAES--U MI |
| MI | U MI Biological Station | 2113 | 453400 | 0844100 | SAES--U MI |
| MI | Wellston | 2113 | 441500 | 0855100 | FS |
| MN | Fernberg | 2111 | 475800 | 0912900 | EPA |
| MN | Camp Ripley Mil Res | 2213 | 460500 | 0942300 | |
| MN | Lamberton | 2531 | 441500 | 0951900 | SAES--U MN |
| MN | Marcell Exp Forest | 2111 | 473000 | 0932800 | FS |
| MO | Ashland | 2215 | 384513 | 0921155 | U. MO. Columbia |
| MO | University Forest | 2312 | 365000 | 0902000 | U. MO. Columbia |
| MS | Janice | 2311 | 310100 | 0885900 | |
| MS | Clinton | 2320 | 322100 | 0901700 | UAPSP |
| MS | Coffeyville Pine Watershed | 2215 | 340000 | 0894900 | |
| MT | Glacier NP Fire Weather Sta | M2112 | 483000 | 1135900 | NPS |
| MT | Haure Exp Station | 3111 | 483000 | 1094700 | |
| MT | Custer Natl Battlefield | 3111 | 453200 | 1072500 | |
| MT | Meade Ranger Sta | 3111 | 471000 | 1110000 | |
| MT | Bozeman | M3112 | 454000 | 1110900 | NOAA-RCS |
| NC | Coweeta | 2214 | 350300 | 0832700 | FS |
| NC | Finley Farm | 2320 | 354400 | 0784100 | SAES/GS--NCSU |
| NC | Lewiston | 2320 | 360800 | 0771000 | SAES/GS--NCSU |
| NC | Piedmont Research Station | 2320 | 354000 | 0803400 | SAES/GS--NCSU |
| NC | Clinton Crops Res Ctr | 2320 | 350100 | 0781700 | SAES/GS--NCSU |
| ND | Icelandic State Park | 2531 | 484600 | 0974500 | |
| ND | Teddy Roosevelt NP | 3112 | 473600 | 1031500 | NPS |
| ND | Canfield Lake | 3112 | 471200 | 1002400 | |
| NE | Mead | 2531 | 410900 | 0963000 | SAES--Univ NE |
| NE | Ft Hartstuff Hist Park | 2532 | 414500 | 0990000 | |
| NH | Hubbard Brook | 2114 | 435700 | 0714200 | FS |

NATIONAL TRENDS NETWORK STATIONS

| STATE | NAME OF SITE | ECOREGION | LATITUDE | LONGITUDE | OPERATING AGENCY |
|---|---|---|---|---|---|
| NJ | Washington Crossing | 2214 | 401800 | 0745100 | EPA/NOAA/WMO |
| NM | NM St Agr Sta-Clovis | 3113 | 343700 | 1031400 | |
| NM | CUBA | P3132 | 360200 | 1065800 | BLM |
| NS | Kejimkujik | 2000 | 442600 | 0860200 | Canada |
| NV | Winnemucca | 3132 | 405800 | 1174400 | |
| NV | Meadows Canyon Ranger Sta | 3133 | 384300 | 1165500 | |
| NV | Lake Mead | 3221 | 351300 | 1143500 | |
| NY | Ithaca | 2113 | 422400 | 0763900 | MAP3S--Cornell |
| NY | Whiteface Mountain | 2114 | 442300 | 0735200 | MAP3S--NYU-Albany |
| NY | Chautauqua | 2113 | 421700 | 0792200 | Niagra Mohawk Pow |
| NY | Jasper | 2113 | 420700 | 0773200 | NY State Elect Gas |
| NY | Bennett Bridge | 2113 | 433000 | 0755700 | Niagra Mohawk Pow |
| NY | Big Moose | 2114 | 434900 | 0745400 | UAPSP |
| NY | Stillwell Lake | 2214 | 412100 | 0740200 | U.S. Mil Acad |
| NY | Knobit | 2113 | 420700 | 0733100 | NY State Elect Gas |
| OH | Delaware | 2212 | 401700 | 0830400 | FS |
| OH | Caldwell | 2211 | 394700 | 0813100 | SAES--OH Ag Res Ctr |
| OH | Wooster | 2212 | 404600 | 0815600 | SAES--OH Ag Res Ctr |
| OH | Columbus | 2212 | 393200 | 0844400 | MAP3S--U Miami |
| OK | National Severe Storms Ctr | 2512 | 351000 | 0973000 | |
| OK | Oklahoma St Fish Hatchery | 2533 | 364500 | 0981000 | |
| OK | Goodwell | 3113 | 363600 | 1013700 | NOAA-RCS |
| ONT | Mount Forest | 2000 | 435900 | 0804500 | Canada |
| OR | Schmidt Farm | 2410 | 443800 | 1231200 | EPA |
| OR | Andrews Exp Forest | M2415 | 441500 | 1221000 | FS |
| OR | Union | M3111 | 451300 | 1175300 | NOAA-RCS |
| OR | Vines Hill | 3131 | 435400 | 1172500 | BLM |
| OR | Silver Lake Ranger Station | 3131 | 430800 | 1210500 | |
| PA | Kane Experimental Forest | 2113 | 413300 | 0784600 | FS |
| PA | Leading Ridge | 2214 | 403900 | 0755600 | SAES--PSU |
| PA | Tunkhannock | 2113 | 413400 | 0755900 | UAPSP |
| PA | Penn State | 2214 | 404700 | 0775700 | MAP3S |
| SC | Santee NWR | 2320 | 333000 | 0803000 | |
| SD | Sand Lake NWR | 2532 | 454500 | 0931500 | |
| SD | Cottonwood | 3112 | 435800 | 1015200 | NOAA-RCS |
| TN | Giles County | 2215 | 351700 | 0865400 | TVA |
| TN | Alamo | 2215 | 354700 | 0890800 | UAPSP |
| TN | Walker Branch | 2214 | 355800 | 0841700 | Oak Ridge Natl Lab |
| TN | Elkmont (Smokey Mtns. NP) | 2214 | 344000 | 0832000 | NPS |
| TX | Forest Seed Center | 2320 | 313300 | 0945200 | Intl Paper Co |
| TX | LBJ National Grasslands | 2512 | 332000 | 0974000 | |
| TX | San Angelo Agr Sta | 2522 | 312000 | 1003000 | |
| TX | Attwater Prairie Chicken | 2512 | 294000 | 0962000 | |
| TX | Texas A&M Research Sta | 2521 | 333000 | 1005000 | |
| TX | Beeville | 2523 | 282700 | 0974200 | NOAA-RCS |
| TX | Guadalupe Mountains | 3212 | 313500 | 1044900 | |
| TX | K-bar (Big Bend NP) | 3212 | 291000 | 1031200 | NPS |
| UT | Desert Range Exp Farm | 3134 | 383500 | 1134500 | |
| UT | Cedar Mountain | P3131 | 391000 | 1103700 | BLM |
| UT | Logan | M3112 | 414000 | 1115400 | NOAA-RCS |
| VA | Loves Mill | 2214 | 364400 | 0814100 | TVA |
| VA | Charlottesville | 2320 | 380200 | 0783200 | MAP3S--U VA |
| VA | Big Meadows (Shen.NP) | 2214 | 383100 | 0782600 | NPS |
| VT | Bennington | 2114 | 425200 | 0730900 | VT Agency Env Cont |
| VT | Underhill | 2114 | 443100 | 0725200 | UAPSP |
| WA | Olympic NP | M2413 | 475000 | 1235500 | NPS |
| WA | Dryland Exp Station | 3120 | 470000 | 1183500 | |
| WA | Sauk Guard Station | M2415 | 482900 | 1213800 | |
| WI | Lake Dubay | 2113 | 443952 | 0892922 | Nekoosa Paper Co |
| WI | Arlington | 2213 | 431800 | 0892100 | NOAA-RCS |
| WI | Spooner | 2111 | 455000 | 0915200 | EPA |
| WI | Trout Lake | 2112 | 460200 | 0893800 | EPA |
| WV | Parsons | 2214 | 390600 | 0793900 | FS |
| WV | Babcock State Park | 2211 | 380000 | 0805900 | |
| WY | Newcastle | 3112 | 435200 | 1041100 | BLM |
| WY | Pinedale | A3140 | 425500 | 1094700 | BLM |
| WY | Tower-Yellowstone NP | M3112 | 444500 | 1103500 | NPS |

## Explanation of Abbreviations

| | |
|---|---|
| UAPSP | Utility Acid Precipitation Study Program (Electric Power Companies) |
| SAES | State Agricultural Experiment Stations |
| NPS | National Park Service |
| BLM | Bureau of Land Management |
| FS | Forest Service |
| NOAA | National Oceanic and Atmospheric Administration |
| RCS | Reference Climate Site (NOAA) |
| EPA | Environmental Protection Agency |
| WMO | World Meteorological Organization (NOAA and EPA) |
| Argonne NL | Argonne National Laboratory |
| TVA | Tennessee Valley Authority |
| GS | U.S. Geological Survey |
| MAP3S | Multistate Atmospheric Power Production Pollution Study (Department of Energy) |

## REVOLVING FUND FOR DIGITAL CARTOGRAPHY

Question. For Digital Cartography you have again proposed a separate account be established as the basis of a revolving fund to eventually recover at least the production costs of the digital cartographic data developed by GS. The revolving fund is of course still not authorized. When do you plan to have this proposed legislation introduced in Congress?

Answer. The Department transmitted its draft bill entitled the "Digital Cartography Fund Act of 1983" to Congress on March 18, 1983, and it was referred to the House Committee on Interior and Insular Affairs on March 24, 1983.

Question. Specifically, what are the advantages of such a revolving fund as opposed to the regular appropriation now in place?

Answer. A revolving fund has the advantage of providing a mechanism--that would be reviewed annually by Congress and the Executive Branch--that would equate production with demand and production costs with sales revenue. This would result in appropriate pricing to maximize revenues and to screen and prioritize agency requests for digital cartographic data by subjecting the requests to a market test. Sales over time are expected to recover a significant portion of production costs.

Question. How long would you anticipate operating the fund before it can recover production costs? How much will you have requested of this Committee before that time comes?

Answer. Because of the uncertainity of future appropriations, projected sales volume, and technology advances we cannot precisely project how long we will need to operate the fund before it can recover production costs.

Question. The recovery of production costs assumes you can raise fees for certain items in order to increase income. Can you in fact raise prices indiscriminately, or is there some reasonable limit on the fees you can charge?

Answer. No, our prices cannot be raised indiscriminately. Prices are established with consideration given to the fact that we do not have copyright authority or other proprietary rights to production, reproduction or distribution of the data. Also, the demand for our products is not inelastic. Hence, a price rise could cause a reduction in revenue if the sales volume dropped due to a price rise that turned out to be higher than the market was willing to support.

Question. If you can adjust prices upward to meet expenses, why can't you do so without a revolving fund?

Answer. Prices can be adjusted without a revolving fund, however, early adoption of a revolving fund mechanism will eventually reduce the need for continuing direct appropriations.

## SUBCOMMITTEE RECESS

Senator McClure. I thank you for your testimony this afternoon. The subcommittee will stand in recess until 2 p.m., Tuesday, March 15, when we will receive testimony on the fiscal year 1984 budget request from congressional witnesses, the Secretary of the Interior, and the Secretary of Energy.

Thank you.

[Whereupon, at 3:11 p.m., Thursday, March 10, the subcommittee was recessed, to reconvene at 2 p.m., March 15.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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TUESDAY, MARCH 15, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:10 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senators McClure, Leahy, and Burdick.

## CONGRESSIONAL WITNESSES

Senator McCLURE. The committee will come to order. This is the time scheduled to hear the testimony of congressional witnesses on the fiscal year 1984 budget request for programs under the jurisdiction of the Interior and Related Agencies Subcommittee as well as to review those programs with the Secretaries of the Interior and Energy.

We will begin with congressional witnesses, and note that Senators Baucus, Durenberger, Boschwitz, and Cranston, and Congressman Beilenson have asked to testify this afternoon. Senator Baucus and Congressman Beilenson are scheduled first, and we will hear from Senators Durenberger, Boschwitz, and Cranston at a later time during the hearing.

Following Congressman Beilenson, we will move to the Secretary of the Interior and then to the Secretary of Energy.

Senator Baucus, the committee welcomes you before us this afternoon and invites you to summarize your testimony as you wish.

### STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM MONTANA

Senator BAUCUS. I appreciate your taking the time at this point in a very busy schedule.

Mr. Chairman, I am here to say a few words in behalf of magnetohydrodynamics, commonly known as MHD.

As you know the administration requested no funding for this program for this coming fiscal year 1984. Last year the administration also zero budgeted MHD. But with the support of this subcommittee, Congress was able to keep the program alive.

I seek your assistance this year to provide $40 million for magnetohydrodynamics appropriations for 1984 to enable the program to move forward toward commercialization of MHD technology.

I know you have heard many times our arguments about bringing this technology on line as soon as possible. I will simply state here that of all the advance coal, electric power conversion facilities under development, MHD shows the greatest potential in terms of cost, efficiency, and overall environmental performance.

As a country we must continue to invest in the future. It is only by investing in energy research development that the United States will remain a leader in new technologies and achieve greater energy independence. OPEC is in disarray at the moment, oil prices are down, plunging. It would be foolhardy to forget the lessons of the recent past, and risk putting ourselves at the mercy of soaring OPEC prices in the future.

The MHD program has been successful. Benchmarks have been met on schedule, and if no additional technological breakthroughs are required, it has demonstrated it will work very well. From a technological standpoint, MHD has a very promising future. After 12 years of investment and steady progress, it would be shortsighted to cut it off at this point.

The program continued on schedule in fiscal year 1982 in spite of drastically reduced funding, in part because the program was carried over from previous years, and in part because major components that were tested had been acquired prior to fiscal year 1982. Fiscal year 1983 funding of $29 million was enough to maintain the program. But continued funding at the $29 million level is simply not enough. Carryover funds have long since gone. New components are needed.

Among other things, the additional $11 million is necessary to pay for the installation of coal-fired combuster; the testing of this combuster in conjunction with the MHD systems. The operation and testing of coal-fired combuster represents a critical step for commercial readiness, that has already been delayed because of inadequate funding in the last 2 years.

Because of the need to bring the huge Federal deficit under control, we must find ways to reduce costs to get the most for our dollar. I know that there is concern about the amount of money required over the next 10 years to bring the MHD technology to commercial readiness.

In light of this, I am especially pleased to report that the MHD industrial forum has reviewed the current MHD development and has come up with a new strategy for phase 2; the building of an intermediate scale MHD plant to demonstrate overall integrated system and components can perform.

Forum proposal is to retrofit an existing powerplant to use the MHD concept rather than build a new MHD facility from scratch. This would place a prototype plant in operation on charter schedule at reduced cost and with earlier utility involvement than under the current plan for phase 2.

The MHD industrial forum's proposed strategy for the next phase of the program represents a pragmatic response to economic and fiscal realities and follows the President's policy of promoting private sector involvement in development of new technologies.

Because it requires a substantial commitment in early years, beginning in fiscal year 1985, it will save Uncle Sam a great deal of money in the long run. And I hope the Congress will endorse the proposal and when the time comes provide the funding necessary to support it.

As you recall, until late 1979, MHD program was a $2 billion program consisting of three phases: the component system development, intermediate scale plant for demonstration of overall integrated system component performance, and finally the commercial demonstration plant to be operational in the late 1990's. Since that time the funding for the program has been drastically reduced and phase 3 has been eliminated altogether.

The forum's alternative retrofit proposal would further reduce the cost of development of this technology. The retrofit would require a Federal contribution of an estimated total of only $190 million over the course of 7 years. This, in addition to continued funding of the present MHD development program at the level of $40 million through 1988 with reductions of $5 million per year thereafter, until completion at the end of 1991.

This represents a tremendous reduction of $2 billion formerly estimated for the total development cost for the technology. Forum's retrofit proposal has economic and practical advantages over the present plan to build a new MHD plant in phase 2.

First, it would result in great cost savings, because retrofit would use existing turbine generator and cooling system and would be located in an operating site in which most important functions and personnel are already present.

Second, this would lead to early utility participation in development of MHD technology. Utilities already have shown considerable interest in the retrofit proposal. Under the current development plan private utilities would not be involved until after completion of intermediate scale plant, phase 2, 1990.

Under the retrofit plan, however, the private sector financial and other involvement would begin this year. The retrofit scheme would result in earlier integration of MHD technology into the utility grid because the utilities would more readily adopt the technology they have helped develop. They will accomplish the technology based on hands-on experience.

Thus, the utilities involvement in retrofit would not only reduce the cost to the Federal Government, but also lead to earlier acceptable commercialization of the technology by the private sector.

Thank you again, Mr. Chairman, for giving me an opportunity to share my views with you. I appreciate your efforts personally to maintain the program in the past, and I hope you will agree with me that the development of this technology is very much in the country's interest, certainly under the new program.

Thank you, Mr. Chairman.

Senator McClure. Thank you, Senator, for your statement. I know of your interest in this project, and the assistance you have given over the years to make sure that it stayed alive.

I am a little disappointed that the utilities have not come forward with earlier funding, because they have said consistently for each of the last several years they were right at the point where they were ready to put money in. Now, apparently, they are saying, "We are right at the point of agreeing we will, 6 or 7 years from now," which doesn't appear to me to be a step forward.

Senator Baucus. Mr. Chairman, I understand your frustration. It has been mine, too. But I do think the announcement of the MHD industrial forum can eliminate one phase in a vastly reduced scale, put a lot of pressure on private utilities to come in earlier, because if they don't I think the program is very much in jeopardy.

Senator McClure. I think it certainly is. And I understand even though the retrofit proposal itself is not as expensive, the R&D that goes along with it means the total package of about $650 million.

Senator Baucus. That's right. That, compared to $2 billion is an improvement.

Senator McClure. The old question, compared to what?

Thank you very much. I appreciate your testimony.

Senator Baucus. Thank you.

[The statement follows:]

## STATEMENT OF SENATOR MAX BAUCUS

### INTRODUCTION

GOOD AFTERNOON. THANK YOU, MR. CHAIRMAN, FOR THE OPPORTUNITY TO TESTIFY TODAY REGARDING THE MAGNETOHYDRODYNAMICS (MHD) PROGRAM. AS YOU KNOW, THE ADMINISTRATION HAS REQUESTED NO FUNDING FOR THIS PROGRAM FOR FY 1984. LAST YEAR THE ADMINISTRATION ALSO ZERO-BUDGETED MHD, BUT WITH THE SUPPORT OF THIS SUBCOMMITTEE, CONGRESS WAS ABLE TO KEEP THE PROGRAM ALIVE.

I AM SEEKING YOUR ASSISTANCE THIS YEAR TO PROVIDE $40 MILLION IN APPROPRIATIONS FOR FY 1984 TO ENABLE THE PROGRAM TO MOVE FORWARD TOWARD COMMERCIALIZATION OF THE MHD TECHNOLOGY.

I KNOW YOU HAVE HEARD MANY TIMES BEFORE THE ARGUMENTS FOR BRINGING THIS TECHNOLOGY ON LINE AS SOON AS POSSIBLE. I WILL SIMPLY STATE HERE THAT OF ALL THE ADVANCED COAL TO ELECTRIC POWER CONVERSION TECHNOLOGIES UNDER DEVELOPMENT, MHD SHOWS THE GREATEST POTENTIAL IN TERMS OF COST, EFFICIENCY, AND OVERALL ENVIRONMENTAL PERFORMANCE.

AS A COUNTRY, WE MUST CONTINUE TO INVEST IN THE FUTURE. IT IS ONLY BY INVESTING IN ENERGY RESEARCH AND DEVELOPMENT THAT THE UNITED STATES WILL REMAIN A LEADER IN NEW TECHNOLOGIES AND ACHIEVE GREATER ENERGY INDEPENDENCE. OPEC IS IN DISARRAY AT THE MOMENT AND OIL PRICES ARE DOWN, BUT IT WOULD BE FOOLHARDY TO FORGET THE LESSONS OF THE RECENT PAST AND RISK PUTTING OURSELVES AT THE MERCY OF SOARING OPEC PRICES IN THE FUTURE.

### THE HISTORY

THE MHD PROGRAM HAS BEEN HIGHLY SUCCESSFUL SO FAR. BENCHMARKS HAVE BEEN MET ON SCHEDULE AND NO ADDITIONAL TECHNOLOGICAL BREAKTHROUGHS ARE REQUIRED TO DEMONSTRATE COMMERCIAL READINESS. FROM A TECHNOLOGICAL STANDPOINT, MHD HAS A VERY PROMISING FUTURE. AFTER A DOZEN YEARS OF INVESTMENT AND STEADY PROGRESS, I THINK IT WOULD BE SHORTSIGHTED TO CUT OFF THE FUNDING FOR THE PROGRAM AT THIS POINT.

THE PROGRAM CONTINUED ON SCHEDULE IN FY 1982 IN SPITE OF DRASTICALLY REDUCED FUNDING IN PART BECAUSE THE PROGRAM COULD DRAW ON FUNDS CARRIED OVER FROM PREVIOUS YEARS AND IN PART BECAUSE MAJOR COMPONENTS THAT WERE TESTED HAD BEEN ACQUIRED PRIOR TO FY 1982. THE FY 1983 FUNDING AT $29 MILLION IS JUST ENOUGH TO MAINTAIN THE PROGRAM.

CONTINUED FUNDING AT THE $29 MILLION LEVEL IS SIMPLY NOT ENOUGH. CARRY-OVER FUNDS ARE LONG SINCE GONE. NEW COMPONENTS ARE NEEDED. AMONG OTHER THINGS, THE ADDITIONAL $11 MILLION IS NECESSARY TO PAY FOR THE INSTALLATION OF A COAL-FIRED COMBUSTOR AND THE TESTING OF THIS COMBUSTOR IN CONJUNCTION WITH THE MHD SYSTEMS. THE OPERATION AND TESTING OF A COAL-FIRED COMBUSTOR REPRESENTS A CRITICAL STEP TOWARD COMMERCIAL READINESS THAT HAS ALREADY BEEN DELAYED AS A RESULT OF INADEQUATE FUNDING OVER THE LAST TWO YEARS.

## REDUCING MHD COSTS

BECAUSE OF THE NEED TO BRING THE HUGE FEDERAL DEFICIT UNDER CONTROL, WE MUST BE CREATIVE IN FINDING WAYS TO REDUCE COSTS AND GET THE MOST FOR OUR DOLLARS IN ALL PROGRAMS. I KNOW THAT THERE IS CONCERN ABOUT THE AMOUNT OF MONEY REQUIRED OVER THE NEXT 10 YEARS TO BRING THE MHD TECHNOLOGY TO COMMERCIAL READINESS. IN LIGHT OF THIS, I AM ESPECIALLY PLEASED TO REPORT THAT THE MHD INDUSTRIAL FORUM HAS REVIEWED THE CURRENT MHD DEVELOPMENT PLAN AND HAS COME UP WITH A NEW STRATEGY FOR PHASE 2, THE BUILDING OF AN INTERMEDIATE-SCALE MHD PLANT TO DEMONSTRATE OVERALL INTEGRATED SYSTEM AND COMPONENT PERFORMANCE.

THE FORUM'S PROPOSAL IS TO RETROFIT AN EXISTING POWER PLANT TO USE THE MHD CONCEPT RATHER THAN BUILD A NEW MHD FACILITY FROM SCRATCH. THIS STRATEGY WOULD PLACE A PROTOTYPE PLANT INTO OPERATION ON A SHORTER SCHEDULE, AT A REDUCED COST, AND WITH EARLIER UTILITY INVOLVEMENT THAN UNDER THE CURRENT PLAN FOR PHASE 2.

The MHD Industrial Forum's proposed strategy for the next phase of the MHD program represents a pragmatic response to economic and fiscal realities and follows the President's policy of promoting private sector involvement in the development of new technologies. While it will require a substantial commitment of Federal dollars in the early years, beginning in FY 1985, it will save the Federal government a great deal of money in the long-run. I hope that Congress will endorse the proposal and, when the time comes, provide the funding necessary to support it.

As you recall, until late 1979 the MHD program was a $2 billion program consisting of three phases: (1) component and system development; (2) an intermediate-scale plant for demonstration of overall integrated system/component performance; and (3) a commercial demonstration plant, to be operational in the late 1990's. Since that time the funding for the program has been drastically reduced and Phase 3 has been eliminated altogether.

The Forum's alternative retrofit proposal would further reduce the costs of development of this technology. The retrofit would require a Federal contribution of an estimated total of $190 million over the course of 7 years. This is in addition to continued funding of the present MHD development program at a level of $40 million through 1988, with reductions of $5 million per year thereafter until completion at the end of 1991. This represents a tremendous reduction from the $2 billion formerly estimated for the total development costs for this technology.

The Forum's retrofit proposal has economic and practical advantages over the present plan to build a new MHD plant for Phase 2. First, it would result in great cost savings because the retrofit would use an existing turbine-generator and cooling system and would be located at an operating site for which most support functions and personnel are already present.

SECOND, THIS STRATEGY WOULD LEAD TO EARLY UTILITY PARTICIPATION IN THE DEVELOPMENT OF THE MHD TECHNOLOGY. UTILITIES ALREADY HAVE SHOWN CONSIDERABLE INTEREST IN THE RETROFIT PROPOSAL. UNDER THE CURRENT DEVELOPMENT PLAN, PRIVATE UTILITIES WOULD NOT BE INVOLVED UNTIL AFTER THE COMPLETION OF THE INTERMEDIATE-SCALE PLANT OF PHASE 2 IN 1990. UNDER THE RETROFIT PLAN, PRIVATE SECTOR FINANCIAL AND OTHER INVOLVEMENT WOULD BEGIN THIS YEAR.

THE RETROFIT SCHEME SHOULD RESULT IN EARLIER INTEGRATION OF THE MHD TECHNOLOGY INTO THE UTILITY GRID BECAUSE THE UTILITIES WILL MORE READILY ADOPT A TECHNOLOGY THAT THEY HAVE HELPED DEVELOP. THEY WILL HAVE CONFIDENCE IN THE TECHNOLOGY BASED ON HANDS-ON EXPERIENCE.

THUS, THE UTILITY'S INVOLVEMENT THROUGH THE RETROFIT WOULD NOT ONLY REDUCE THE PROGRAM COSTS TO THE FEDERAL GOVERNMENT, BUT WOULD ALSO LEAD TO EARLIER ACCEPTANCE AND COMMERCIALIZATION OF THE TECHNOLOGY BY THE PRIVATE SECTOR.

THANK YOU AGAIN FOR THE OPPORTUNITY TO SHARE MY VIEWS WITH YOU REGARDING APPROPRIATIONS FOR THE MHD PROGRAM. I DEEPLY APPRECIATE YOUR EFFORTS TO MAINTAIN THE PROGRAM IN THE PAST, AND I HOPE THAT YOU WILL AGREE WITH ME THAT CONTINUED DEVELOPMENT OF THE MHD TECHNOLOGY IS IN THE COUNTRY'S LONG-TERM INTEREST.

## STATEMENT OF HON. ANTHONY BEILENSON, U.S. REPRESENTATIVE FROM CALIFORNIA

Senator McCLURE. Congressman Beilenson, we will hear from you next. Your entire prepared statement will be placed in the record at this point.

We invite you, if you see fit, to summarize the high points.

[The statement follows:]

### STATEMENT OF CONGRESSMAN ANTHONY C. BEILENSON

Mr. Chairman, I appreciate the opportunity to testify before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area (NRA), which is located partially in the congressional district which I represent. Our region's promising new park has been dealt severe funding setbacks in the last 3 years and I very much hope Congress will change that this year.

Unfortunately, for the third year in a row, the administration has requested no funding at all for land acquisition in the Santa Monica Mountains. Interior Secretary James Watt has repeatedly stated his view that we should stop purchasing land until we start taking care of what we already have, and I agree with him. However, delaying land purchases in the Santa Monica Mountains means losing a significant part of the park. The National Park Service (NPS) is competing with well-financed developers in that area for the parcels of land which are both the most desirable for residential development and the most suitable for recreational use. Lack of Federal funding for the park is giving developers the upper hand in deciding how that land will be used.

When Congress authorized $155 million for the Santa Monica park in 1978, the timetable for acquisition was intentionally designed so that large amounts of money would be spent relatively quickly, precisely because much of the most desirable land is rapidly appreciating and is under strong development pressures. Out of that $155 million which Congress authorized, only $41 million has been appropriated thus far. That amount has made is possible for the Park Service to acquire some key areas and begin operating programs in the mountains, but the progress made in establishing the park is far from what could have been made by now. And unless substantial amounts of funding are forthcoming, some of the more desirable parcels will be lost to residential and commercial development. The end result will be much different from the full-scale national recreation area envisioned when the part was authorized.

The recent budget cuts in land acquisition are harming all of the newer, less-than-complete units of the national park system. But the Santa Monica Mountains NRA is being particularly hard hit. Last year, the House of Representatives approved $15 million in land acquisition funds for the Santa Monicas. Unfortunately, the Senate did not approve any funding at all for this unit, and in conference all funds were dropped. That elimination of funding was particularly disappointing because it came on the heels of major funding setback 1½ years earlier.

As you may recall, in 1981, the Reagan administration proposed a significant rescission of fiscal year 1981 land acquisition funds, much of which was denied by Congress. The Interior Department applied the cuts Congress did allow to its own priority list, on which the Santa Monica Mountains ranked close to the bottom. The result was that the Santa Monicas had to absorb about 96 percent of the entire rescission, a reduction of $14.2 million from the amount the Park Service had originally intended to spend there that year.

The funding reductions imposed on the Santa Monica Mountains are particularly counterproductive when the potential use of that park is considered. Because it is located in the midst of a large and rapidly growing population, in one of the most park-deficient metropolitan areas in the country, the Santa Monica Mountains NRA has the potential to be the most frequently visited unit of the national park system. In fact, even though the park is still in its infancy, its visitor usage statistics are impressive. In 1982 alone, an estimated 7.6 million people visited areas within the boundaries of the Santa Monica Mountains NRA. More people visited the small area of parkland there last year than visited Yosemite, Grand Canyon, and Yellowstone National Parks combined.

Even without the large land base needed to fulfill the plans for the creation of the NRA, the Park Service has conducted a variety of outdoor education programs in cooperation with numerous local and State agencies and community organizations. In 1982, those programs included a recreation transit program, bringing over 30,000 transit-dependent people to the park; environmental education programs serving more than 30,600 youths and school children; and an outreach program bringing 5,600 disabled persons to the park. The Santa Monica Mountains NRA has provided, and will continue to provide if funds are forthcoming, outdoor educational and recreational opportunities for millions who would otherwise never be able to visit a national park.

Aside from the park's potential for visitor usage, another factor to consider with regard to providing funds for the Santa Monica Mountains NRA is that, ironically, the cost to the taxpayers may be higher if the land there is developed than if it is purchased and preserved in its natural state. The Santa Monica Mountains are particularly prone to fires, floods, and mudslides which occur regularly there. Had the mountains been more developed than they already are when very severe storms hit Los Angeles just recently, the cost in Federal disaster assistance would have been enormous. If we allow the remaining untouched land to be developed, we are sure to be paying more in Federal disaster aid in future years as an increasing number of homeowners become victims of these natural disasters. Wise use of our limited Federal funds suggests that we choose funding the park over development, and that we purchase the land as quickly as possible before its cost increases further and the land becomes prohibitively expensive.

There is one more point I would like to add about the Santa Monica Mountains NRA. The Park Service is diligently pursuing less costly alternatives to fee acquisitions, such as negotiating donations of easements, wherever possible. And, NPS officials there have been notably innovative in finding ways to finance park needs. In December, the Park Service, using a corporate donation, published a "gifts catalog," which listed a number of ways people could choose to put private donations and personal skills to work in the park. For instance, the catalog listed the cost of such items as picnic tables, signs, water fountains, staging an event, and restoring a dam; it also listed volunteer needs such as trail building, sign language interpretation, and providing public information assistance. The response has been overwhelming: in less than 4 months, more than one quarter of a million dollars worth of donations have been made. The "gifts catalog," which has received national attention, has been such a success that the National Park Service in using the same technique for raising private donations to improve other national parks.

As encouraged as park supporters are by this community interest in improving and expanding the Santa Monica Mountains NRA, it is unrealistic to think that the park can become fully established without substantial Federal assistance. In order to have many of the needed sites, there are no alternatives to direct appropriations for land acquisition. And although pressure to reduce funding for discretionary programs has probably never been so great as it is today, the need to provide funding for this park is only going to increase if appropriations are delayed. Therefore, I strongly urge you to provide funding for the Santa Monica Mountains NRA this year.

Mr. BEILENSON. Mr. Chairman, I appreciate the opportunity to testify before your subcommittee in support of funding for the Santa Monica Mountains National Recreation Area, NRA, which is located partially in the congressional district which I represent.

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There is one more point I would like to add about the Santa Monica Mountains NRA. The Park Service has been doing an excellent job in diligently pursuing less costly alternatives to fee acquisitions, such as negotiating donations of easements, wherever possible.

And NPS officials there have been notably innovative in finding ways to finance park needs. In December, the Park Service, using a corporate donation, published a "gifts catalog," which listed a number of ways people could choose to put private donations and personal skills to work in the park.

For instance, the catalog listed the cost of such items as picnic tables, signs, water fountains, staging an event, and restoring a dam. It also listed volunteer needs, such as trail building, sign language interpretation, and providing public information assistance.

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As encouraged as park supporters are by this community interest in improving and expanding the Santa Monica Mountains NRA, it is unrealistic to think that the park can become fully established without substantial Federal assistance.

In order to have many of the needed sites, there are no alternatives to direct appropriations for land acquisition. And although pressure to reduce funding for discretionary programs has probably never been so great as it is today, the need to provide funding for this part is only going to increase if appropriations are delayed.

Therefore, I strongly urge you to provide funding for the Santa Monica Mountains NRA this year.

I again thank you very much for personally giving me this opportunity to testify.

Senator McClure. Thank you very much, Congressman.

Of course, I have heard from you in the past, and I appreciate your testimony.

Mr. Beilenson. It's good always to see you.

Senator McClure. Have the local governments expressed any willingness or shown any movement toward taking the local governmental action to preserve the character of these lands?

Mr. Beilenson. The local government, I think, has been more responsive than some of us expected at first they would be. They have expressed some interest. I'm not sure they've done quite as much as they should have. The State government has done a lot, as you well know.

Much of the existing NRA really consists of State lands which already were put in park status. Together, now, we've got over 45,000 acres. Much of that is State effort.

So, the State continues both to appropriate money and to be heavily interested in this. Local government is interested, but doesn't have the resources at this point, as I understand. They cannot increase funding.

Senator McClure. At one time it was suggested that a great deal of what was intended to be accomplished might be done through zoning. Local government has rejected that as an avenue.

Is that still their attitude?

Mr. Beilenson. Yes; I think it's fair to say the local government really has been under a lot of pressure from landowners and developers, who seem to have, if I may say so, Mr. Chairman, good access to members of local government in that particular area.

Some of our pleas for them to, in a sense, freeze that area or give us an opportunity to acquire Federal funds for acquisition really have, to a certain extent, gone unheeded. Part of the problem has been that we're unable to promise them and they are unable to really foresee at this point any real amount of Federal funds.

I think they would be happy to wait and to zone, at least temporarily, some of these areas in order to preserve them for us for acquisition if we could give them any kind of—not necessarily a guarantee, but any reason for believing, in the immediate future at least, some several millions of dollars per year for the next few years would be available from the Federal Government. Of course, that's not been the situation in the last number of years.

Senator McClure. Thank you very much.

Do you have any questions, Senator Leahy?

Senator Leahy. No.

Mr. Beilenson. Thank you very much, Senator.

Senator McClure. Thank you very much, Congressman Beilenson. We appreciate your testimony.

# DEPARTMENT OF THE INTERIOR

## SECRETARY OF THE INTERIOR

## STATEMENT OF HON. JAMES G. WATT, SECRETARY OF THE INTERIOR

ACCOMPANIED BY:

- J. ROBINSON WEST, ASSISTANT SECRETARY—POLICY, BUDGET, AND ADMINISTRATION
- JOSEPH W. GORRELL, DIRECTOR OF BUDGET

### PREPARED STATEMENT

Senator McCLURE. We will now turn to the Secretary of the Department of the Interior. The fiscal year 1984 budget request for the Department of the Interior's program under the jurisdiction of the Interior and Related Agencies Subcommittee is $3,646,728,000, a decrease of $261,560,000 from the fiscal year 1983 appropriated level. In addition to this budget request, $1,783,108,000 has been budgeted for so-called uncontrolled or mandatory spending accounts under the jurisdiction of this subcommittee. This represents an increase of some $450,379,000 over the fiscal year 1983 funding level for these mandatory programs.

Mr. Secretary, the committee welcomes you again this year. You are invited to introduce the associates with you at the table this afternoon and then proceed with a brief statement if you wish. Your entire prepared statement will be placed in the record in full.

[The statement follows:]

## STATEMENT OF JAMES G. WATT

I am pleased to appear before you today in support of the President's FY 1984 budget for the Department of the Interior programs.

The 1984 budget for Interior programs is tailored to funding basic requirements while reducing expenditures on less essential activities. The budget proposal provides for top priority increases to sustain my initiatives to restore and improve our National Parks and Wildlife Refuges and to improve the economies and self-government of Indian tribes. It also provides significant dollar increases for the reclamation of abandoned lands scarred by past coal mining activity.

Overall, the budget for the Department of the Interior, including the Bureau of Reclamation, totals $6.4 billion, an increase of $412 million over the comparable 1983 level of $6 billion. Mandatory programs are increased by $487 million. The 1984 budget is higher than 1983 levels primarily because it includes a one-time increase of $312.7 million in payments to States of their share of receipts from Federal onshore mineral leasing, as required by recently enacted legislation. The amount requested for all of the Department's discretionary programs, including the Bureau of Reclamation, is $75 million below comparable 1983 levels. We are asking this Subcommittee to consider favorably our request for $3.6 billion in new budget authority in 1984. This is a decrease of about $255 million below the comparable 1983 level, as reflected in the President's Budget for FY 1984.

We estimate that FY 1984 receipts from oil and gas leasing on the Outer Continental Shelf will total $11.9 billion and that offsetting receipts will amount to an additional $3 billion. The total estimate of revenue generated by the Department is more than $15 billion, more than double our total budget request.

Increases in the budget are proposed in a number of areas, including, for example, National Park operations, National Wildlife Refuge rehabilitation, Indian economic development, the administration of the mining laws, and scientific investigations of the problems of acid rain and toxic wastes. Although not included within the Interior budget, our National Parks and Indian reservations will also receive a major increase in 1984 for road construction and rehabilitation from the recently enacted Surface Transportation Assistance Act. States where coal mining is important will receive a significant increase in funds for the restoration of abandoned mined lands in 1984. Reductions in the Interior budget are proposed in a number of activities and, in large measure, reflect our plans to ask for State, local, and private cost-sharing of many services formerly provided at Federal expense.

In my view, the Administration has made substantial progress during the past two years in the management of our Nation's valuable natural resources, and the counsel and assistance of this Committee have been significant factors in these achievements. As you know, two years ago we sought to bring about changes in the way our natural resources were being managed so that we could overcome the problems we inherited in January of 1981. During our first year in office, we developed and announced policy changes in the Department. In our second year in office, we began to implement those changes.

The results of our efforts have been rewarding. Today, the Federal estate and our other natural resources -- including the National Parks and Refuges, the coastal barriers, the wetlands, and the public lands -- are better managed than they were two years ago. We have provided the stewardship that is needed to protect and conserve this Nation's natural resource heritage, and at the same time we have laid the groundwork to increase America's national security, enhance our quality of life and environment, and create jobs in the private sector.

But, as we approach the 21st century, there is still much that needs to be done. The 1984 budget provides the support necessary to continue and strengthen our efforts to be proper stewards of the resources for which Interior has responsibility and to promote the economic and social resources of Indian tribes and Island Territories under our administration.

I am proposing a total of more than $253 million for park restoration and improvement activities which will raise the three-year total for this effort to $661 million. This includes more than $153 million in 1984 from Park Service appropriations and $100 million which will become available in 1984 from the Highway Trust Fund for construction and rehabilitation of park roads. Originally proposed as a five-year, $1 billion initiative, this program has provided a significant increase in funding for capital development, historic preservation, and maintenance projects. The 1983 appropriation further expanded the program to address critical natural resources problems; this is continued in 1984.

Since the program began in 1982, it has resulted in major improvements to water and sewer systems, historic buildings, and park roads and trails. It has permitted the Park Service to perform urgently needed preservation work on irreplaceable cultural resources in areas as diverse as Mesa Verde National Park and Independence National Historical Park. I am pleased to point out that, according to the General Accounting Office, substantial progress has been made in correcting the health and safety-related deficiencies in park facilities that had been documented in previous reports.

The 1984 budget proposes both funding and staffing increases for visitor services to park areas, specifically for seasonal rangers to improve interpretation, for visitor protection and safety, and for resources management. About $5 million is included to fund approximately 350 additional seasonal rangers and related support costs.

Passage of the Surface Transportation Assistance Act of 1982 results in funding for road construction in the National Parks and on Indian reservations at $75 million each in 1983 and $100 million each in 1984. These sums will come from the Highway Trust Fund administered by the Department of Transportation. This construction will create many private-sector jobs as contractors put their crews to work. In addition, it will improve badly needed access for Indian enterprise and improve the economy and employment opportunities on reservations. In 1983, the $75 million from the Highway Trust Fund will supplement the $44 million already appropriated to the Bureau of Indian Affairs for road construction, for a total program of $119 million. Moreover, National Park visitors will benefit by using safer roads and bridges which had been deteriorating before we initiated our Park Restoration and Improvement Program in FY 1982. In conjunction with support for road construction under the Highway Trust Fund, we are requesting a rescission of $63.6 million from the National Park Service's 1983 construction appropriation. These funds were appropriated for road projects which can now be accomplished from the Highway Trust Fund.

In 1984, I am proposing to establish the Accelerated Refuge Maintenance and Management program (ARMM) to increase funding significantly throughout the Nation's Wildlife Refuge System in order to decrease the maintenance backlog and to restore facilities on the refuges which have deteriorated. The budget includes $16.6 million for this initiative.

The 1984 budget includes $193.9 million for 23 States for mine land reclamation work, a funding increase of more than $61 million -- or nearly 50 percent -- above 1983. These funds, which are administered by the Office of Surface Mining, come from the Abandoned Mine Reclamation Fund. An increase of this magnitude is possible because of the progress the States have made in improving their capability to manage reclamation projects since assuming primacy for regulating coal mining operations within their boundaries.

With regard to energy and minerals leasing, when I appeared before you last year, we discussed the creation of the Minerals Management Service.
Mr. Chairman, I want to express my appreciation to you and other Members of the Subcommittee for your support in establishing the separate appropriation account and providing the resources to support our efforts to create the MMS and to help implement recommendations of the Linowes Commission. I have taken further steps to improve the collection of mineral leasing revenue and to consolidate mineral leasing and resource management functions.

In May, all Outer Continental Shelf functions were consolidated in the MMS and onshore energy and mineral operations were consolidated in the Bureau of Land Management in December. I took these steps to improve service to the public for Federal mineral leasing and development actions by placing in a single agency the responsibility for the multiple use management of both surface and subsurface Federal lands resources. At the same time, I made the MMS responsible for all aspects of OCS leasing as well as all mineral revenue management and the distribution of mineral leasing receipts.

The 1984 budget ensures funding levels to fully accommodate the five-year Outer Continental Shelf leasing program. Seven OCS lease sales are proposed for 1984, including three in the Gulf of Mexico, one in the Atlantic, one in California, and two in Alaska -- one of which will be in the Navarin Basin and the other in the Diapir Field. Under the five-year schedule which I announced last July, the private sector will have greater flexibility to make leasing and exploration decisions within proper environmental safeguards. It is well to remember that we have a major environmental studies effort related to OCS leasing. Through 1983, we will have spent about $348 million studying the environmental aspects of OCS leasing and we have scheduled another $27.9 million for this purpose in 1984. Overall, the safety record on the OCS is good, and its environmental risk is low compared to other contributors to marine pollution. For example, from 1977 through 1981, when more than 1,400,000,000 barrels of oil were produced from the OCS, significant pollution-causing incidents (spills of more than 50 barrels) resulting from OCS operations have amounted to less than 5,353 barrels spilled in any year. This averages to less than 2,100 barrels spilled annually. Further, the National Academy of Sciences has estimated that, world-wide, offshore production is responsible for only slightly more than one percent of all petroleum entering the oceans.

During 1982 and 1983, the Bureau of Land Management made special efforts to accelerate leasing in the onshore oil and gas program in order to eliminate backlogs. Consequently, the program emphasis during 1984 will be on greater post-lease activity, such as the review and processing of applications for permits to drill. More than 30,000 oil and gas leases are expected to be issued in 1984. In addition, another lease sale for the National Petroleum Reserve in Alaska is scheduled.

In 1984, coal lease tracts will be offered for sale by the Bureau of Land Management in five coal regions -- San Juan River in New Mexico, Uinta-Southwestern Utah in Colorado and Utah, Green River-Hams Fork in Colorado and Wyoming, Southern Appalachian in Alabama, and Powder River in Montana and Wyoming. Budgetary savings in the coal leasing program are possible in part because of a change in program emphasis to post-sale evaluation procedures.

The BLM plans to hold a prototype oil shale lease sale in May of this year. The first permanent oil shale lease sale is scheduled for October 1984, and the first tar sands lease sale is scheduled for May 1984. Budgetary savings in the oil shale program can be accommodated because some initial activities, such as the development of regulations and the programmatic environmental impact statement to establish the permanent program, will be completed during 1983.

The 1984 budget includes nearly $1 billion in payments to States from receipts from Federal onshore mineral leasing, an increase of $439 million, or 78 percent, over 1983. Most of this increase results from provisions of the Federal Oil and Gas Royalty Management Act of 1982, which the President signed into law on January 12. Under the new law, States will receive payment of their share of mineral leasing receipts on a monthly basis, effective October 1, 1983. This results in a large, one-time increase of $312.7 million during 1984, when payments covering 17 months of receipts will be made.

Currently the Federal Government bears the entire cost of collecting mineral leasing revenues, even though the States generally receive 50 percent of these collections. Beginning in 1984, we are proposing that the costs for collecting these revenues be deducted from mineral leasing receipts prior to their division between the States and the Treasury. This will ensure that beneficiaries of Federal onshore mineral leasing receipts share equitably in the cost of collection. It is also proposed that the payments in lieu of taxes programs (PILT) administered by the Bureau of Land Management and the Fish and Wildlife Service be deducted in a similar fashion. I am pleased to emphasize that funding for both of these in lieu payment programs will be continued at their 1983 levels.

Payments to States from Federal mineral leasing receipts have grown by about 348 percent between FY 1976 -- when the BLM PILT legislation was being considered -- and FY 1982. Under PILT, payments to units of local governments are reduced by the amounts received under certain Federal receipt-sharing programs, including the Mineral Leasing Act. However, States have traditionally passed on either none or only a small fraction of these mineral leasing payments to their units of local government. In fact, in calculating FY 1982 PILT payments, only $4.2 million of the $331.4 million paid to the States in FY 1981 from mineral leasing receipts was passed on to a unit of local government and deducted from the PILT payments. Deducting PILT payments from Federal mineral leasing receipts would result in States sharing a portion of these payments with local governments and would reduce the total impact on the U.S. Treasury.

Intense efforts to improve the Department's royalty management program have already resulted in the collection of some $58 million in previously uncollected receipts by December 1982. Even higher collections are expected in the future. Nevertheless, the 1984 budget for the MMS royalty management program can be reduced by $4.6 million, primarily as a result of the phase-out of contract support for the design and development of new automated systems to collect and account for these revenues.

In addition to these actions, I am taking other steps to improve the management of the Department through other cost recovery measures. For example, I am proposing legislation that would give the National Park Service authority to charge reasonable entry fees which would be covered into a special fund to be used for maintenance, repair, and operation of the National Parks. I am also recommending that the Geological Survey be granted authority to retain receipts from the sale of all published maps to cover the cost of map printing and distribution. The budget also reflects a change in policy which allows the Bureau of Land Management to recover more of the costs associated with the processing of rights-of-way applications.

We are proposing to ensure that the beneficiaries of Federal power projects help pay the costs of mitigation hatchery operations along the Lower Snake River. The budget also proposes legislation to increase funding available to acquire essential habitat and waterfowl by increasing the price of a migratory bird hunting and conservation stamp to $15.00. This increase is expected to enable the Fish and Wildlife Service to provide for the preservation of an additional 16,730 acres in 1984, for a total acquisition program of 47,030 acres.

These actions to increase user charges and require greater cost sharing will provide greater revenue and help decrease the Federal deficit. However, my major motivation for these actions is not revenue enhancement, but rather the greater management efficiencies which will result. Increased park fees, for example, will not be onerous to the park visitor; in fact, they will be a small part of the visitor's recreation expenditures. We believe visitors will be very willing to pay more to enjoy the parks if they are confident that their expenditures will help ensure a proper level of current maintenance and preservation of the parks for the future. This attitude should inspire a greater appreciation of the National Park resources. Park Service management, on the other hand, will be more willing to collect fees from the public when both the management and the public know that the revenues will be used to ensure proper maintenance and preservation. Without proper incentives, however, neither the public nor park management have been enthusiastic about paying or collecting fees.

The same principle pertains to other services provided to specific beneficiaries, such as map users and consumers of power from Federal dams. Establishing fees to cover costs of production, including the mitigation of fish and wildlife losses, ensures that the product or service is produced at an optimal level, is not currently wasted, and will be conserved for future needs.

As you know, nearly a year ago, President Reagan became only the second President in history, and the first in nearly three decades, to announce a national minerals policy. We are extremely pleased with the President's statement because it reflects a recognition of the importance of minerals to our national well being. About $118.8 million is included in 1984 in several Bureau of Mines and Geological Survey programs to provide support for the President's National Materials and Minerals Program. This is an increase of more than $9 million above the 1983 level. It is the President's explicit goal to take positive action to promote our national security, help ensure a healthy and vigorous economy, create jobs, and protect America's natural resources and environment.

For 1984 we have made a special effort to help implement the President's Indian policy. The FY 1984 budget increases funds going to reservations by $7 million over FY 1983, as we continue to encourage tribes to assume greater responsibility for services. Contracting by tribes to operate their own programs is expected to reach $245 million by FY 1984 -- $40 million more than it was in FY 1980. In order to support that contracting, I am proposing funding increases of $3.5 million to cover tribal administrative costs. I am also proposing doubling to $5 million our initiative to assist small tribes in developing their core management capability.

In order to help finance increases for on-reservation improvements, we are continuing to reduce overhead costs in the Bureau of Indian Affairs' area and central offices. The full year savings of the $8 million reduction in 1983 will total approximately $17.4 million in FY 1984.

In 1984, $249.1 million is requested for the Department's Indian education program, $15 million below FY 1983. Most of this difference results from a one-time payment of $9.4 million in 1983 for Alaska schools. The remaining difference results, in part, from our proposal to close certain off-reservation boarding schools in an effort to educate Indian children closer to home and to eliminate schools which are under-used. The reduction also results from the transfer of day schools to the State of Alaska, declining enrollment, and the proposal to transfer operation of the Southwestern Indian Polytechnic Institute to a non-Federal vocational institution. In addition, $14.6 million will be provided for construction of a junior/senior high school for the Hopis on their own reservation.

So that we can help develop healthy reservation economies, not only will we continue the major roads program which I described earlier, but I propose to double the economic development initiative begun in 1983 to a 1984 level of $10 million. These funds have the potential for generating $30 million in private sector contributions to economic development on reservations.

Nearly $55 million is included in 1984 for land acquisition activities of the National Park Service to pay court awards related to land acquisition in six recently authorized areas, emergency and hardship acquisition of inholdings, general deficiency awards and relocation expenses, and administrative costs. This level of funding will continue the Department's policy of limiting new land purchases so that our resources can be devoted to maintaining and enhancing park lands already in the National Park System.

No funds are included in 1984 for the Historic Preservation Fund. This is a savings of $26 million from the 1983 appropriation. Direct Federal support for historic preservation will be limited to National Historic properties which are part of the National Park System. Matching grants to States and to the National Trust for Historic Preservation will be eliminated. We believe this course is possible because of steps we have taken to encourage private sector involvement in the preservation of historic properties through the enhancement of economic and tax incentives. At the urging of the Department of the Interior, the Economic Recovery Tax Act of 1981 provides for a 25 percent income tax credit for historic preservation. In FY 1982, 1,802 projects qualified for an income tax credit representing more than $1.1

billion in private investment. In 1983, tax credits are estimated to be about $200 million, and are projected to increase to about $250 million in 1984. Developers who are benefiting from these tax credits will consequently share in historic preservation activities. The 1984 budget includes $2.9 million, an increase of about $1.2 million, for the National Park Service to perform tax certification work, some of which was previously carried out by the States. This increase will assure that the necessary workload is performed in a timely manner in order to avoid backlogs. To reduce the cost to the general taxpayer for this service, the National Park Service will initiate a fee for processing applications. This fee is expected to generate receipts in fiscal year 1984 of about $1.6 million.

The Geological Survey's national program of water resources investigations is proposed for funding at about $112 million in 1984. This effort produces data and information on the availability, suitability, and use of water for water planning, water management, energy development, and the enhancement of environmental quality. Initiatives begun in 1982 to redirect program resources for studies of the effects of acid rain on lakes, rivers, and ground water, and of the relationship between toxic wastes and ground water contamination, are again proposed for expansion in 1984.

In 1982, I established a new Office of Water Policy to provide analysis on water issues and to serve as liaison to the States. This office serves as a focal point for Interior-related water issues and is based on the premise that States have primary rights in water allocation, planning, and coordination. In conjunction with this initiative, the Administration returned water policy deliberations to the Cabinet level by terminating the Water Resources Council. The Department's water research management programs were further streamlined by abolishing the Office of Water Research and Technology and merging ongoing work into related activities of the Office of Water Policy, the Bureau of Reclamation, and the Geological Survey.

Although not requested in the budget, the 1983 Interior appropriations include funds to continue support for the State water research institutes and for Federal water research activities. In the 1984 budget, we are again requesting that no funds be appropriated for these activities. I believe that Federal support for narrowly focused water research programs should not be continued during this time of fiscal austerity. I also believe that along with the right of the States to manage their water resources goes the responsibility for leadership in water resources research and development and that these functions are properly the responsibility of the States to meet their specific needs. I also expect that industry will continue to support research and development of new technology which has the greatest cost-effective potential.

No new funding is proposed for the mineral institutes because private sector and other public support should be available to help the institutes meet their program objectives. This results in a decrease of about $9.6 million in funding for the Bureau of Mines. A further reduction of about $5 million results from the decision not to continue funding for the coal mining productivity research transferred from the Department of Energy to the Bureau of Mines in the 1983 Appropriations Act. We believe the private sector should assume responsibility for this type of research. The Bureau of Mines will concentrate its research on projects having a long term, high risk, high potential payoff with the best chance for wide generic application to materials problems and increased productivity.

Regarding our Territorial programs, the 1984 budget encourages private sector initiatives and promotes economic development. For example, the budget includes $2 million for costs associated with the creation of an Insular Development Fund which will provide loan capital through both Federal and private sources to finance economic development projects in the U.S. Territories. The Insular Development Fund will replace the ad-hoc Federal grant process that has existed for the past several years. The budget also includes an additional $5 million for further work on construction of a hospital in the Northern Mariana Islands. The request for the Trust Territory of the Pacific Islands also includes $9.6 million for capitol relocations and $9 million for construction projects in the Capital Improvement Program.

The budget for the Bureau of Land Management emphasizes volunteerism and private investment on the public lands which is pertinent to the BLM's grazing, recreation, cultural, and wildlife programs, where costs can be shared with State and local governments or individuals.

The 1984 budget also includes $20.3 million to continue to implement a change in policy concerning the National Fish Hatchery System which was begun in 1983. Through 1982, the National Fish Hatchery System operated facilities to produce fish for Federal priorities and Indian waters, as well as stocking lower priority fish in intrastate waters. During consideration of the 1983 budget, the Congress concurred in closing or transferring 20 of these lower priority facilities by the beginning of 1984. The 1984 budget for the Fish and Wildlife Service includes funds to operate and maintain priority hatcheries and to close or transfer 24 hatcheries. Four of these hatcheries, which primarily serve Indian needs, will be transferred to the Bureau of Indian Affairs. The FY 1984 BIA budget includes $913,000 for those transferred hatcheries. The remaining 20 hatcheries which had been proposed for closure by the Administration or the Congress in FY 1983 are again proposed for transfer to the States or for closure because the production is of lower Federal priority or the cost of rehabilitation is excessive. In 1983, two of the hatcheries proposed for closure or transfer were taken over by the States, and some States have expressed interest in assuming operations of other hatcheries proposed for closure. We are taking specific steps to assure such transfers.

Mr. Chairman, this concludes my prepared remarks. I do, however, enlist your continuing support in making this year as successful as the previous two years have been in carrying out our mutual objectives for this Nation.

## INTRODUCTION OF ASSOCIATES

Secretary WATT. Today I have with me, Assistant Secretary Robin West and Joe Gorrell, Director of the Office of Budget.

Thank you for the opportunity to appear before you again. This is a particularly important committee hearing for us, as in the past 2 years, we have put great importance on working with the Appropriations Committees. The facts are that we have brought dramatic and meaningful change to the Department of the Interior, and we have brought about most of the changes through the budgetary process. We are extremely pleased with the work of this committee and of the House in developing a change in the priorities and the policies of the programs that have allowed us to begin the process of restoring America.

I am please to report that, because of the work of this committee and the other committees, the action of Congress in the last two budget cycles, we are now in a position where all of the lands under Federal jurisdiction—whether we're talking about the national parks, national refuges, national forests, public lands, wetlands, and coastal barriers—are now being better managed and are in better condition than they were 2 years ago. This is because we have given the highest priority to investment in Federal land and water resources under a concept of stewardship whereby we take care of the resources so that they will be in a better condition when we transfer them on to successors than they were when we took office.

## HIGHLIGHTS OF BUDGET

As you pointed out, the overall budget of the Department of the Interior with regard to discretionary funds is down this year. We feel that we can, with a change of priorities, bring about improved management that will help us emphasize the programs that we think are most important. This budget again gives top priority to the national park system in our efforts to restore the parks from the unfortunate conditions in which we found them in January 1981.

This budget calls for a quick program. That is, the funds needed to restore the national park system are three times greater than they were in the 1981 budget, three times greater than during the last year of the Carter administration. This committee and the Congress have been very supportive of our efforts to restore the national park system, and we're grateful for that.

The budget also calls for a significant increase in the moneys needed to improve our national wildlife refuges. We think we can start a program there and we are starting one which is similar to our efforts to restore the national park system.

You will see that we have again called for a significant dollar increase for the reclamation of abandoned lands scarred by past coal mining operations. This is consistent with our stewardship concept of taking care of the land. This is critical to us from every dimension that we can measure.

The budget includes funds to address the Indian issues that are also critical to us. The budget sets some new priorities there, and also focuses on cooperative efforts with the users of the land, so that they pay a higher share of the costs.

The increases that we are giving to the national parks and the national refuges come from priorities that we have established to invest in the land and the waters and not to put a high priority on giving grants for historic preservation and Federal land acquisition. And we feel this is better stewardship.

## HISTORIC PRESERVATION

I would like to focus the committee's attention on one specific paragraph on page 7 of my statement that I would like to read. It deals with historic preservation. I have just returned from a trip last week to San Antonio, Tex., and then to Denver, where I saw tremendous activity by the private sector as they seek to take advantage of the Reagan tax program that stimulates historic preservation. We have seen that in the last 2 years, billions of dollars have gone into historic preservation. It is important that we not subsidize the wealthy, but that we be fair in carrying out our programs. That's why we are calling for a savings of $26 million in the historic preservation program. The program is aimed at putting the money where it is needed and not subsidizing the wealthy.

So, to read the paragraph, it says:

No funds are included in 1984 for the historic preservation fund. This is a savings of $26 million from the 1983 appropriation. Direct Federal support for historic preservation will be limited to national historic properties which are part of the national park system. Matching grants to States and to the National Trust for Historic Preservation will be eliminated. We believe this course is possible because of steps we have taken to encourage private sector involvement in the preservation of historic properties through the enhancement of economic and tax incentives. At the urging of the Department of the Interior, the Economic Recovery Tax Act of 1981 provides for a 25-percent income tax credit for historic preservation. In fiscal year 1982, 1,802 projects qualified for an income tax credit representing more than $1.1 billion in private investment. In 1983, tax credits are estimated to be about $200 million, and are projected to increase to about $250 million in 1984. Developers who are benefiting from these tax credits will consequently share in historic preservation activities. The 1984 budget includes $2.9 million, an increase of $1.2 million, for the National Park Service to perform tax certification work, some of which was previously carried out by the States. This increase will assure that the necessary workload is performed in a timely manner in order to avoid backlogs. To reduce the cost to the general taxpayer for this service, the National Park Service will initiate a fee for processing applications. This fee is expected to generate receipts in fiscal year 1984 of about $1.6 million.

We think this is a positive, healthy program that will cause those who benefit from the 25-percent tax credit to pay their fair share. We should not continue subsidizing in every small degree. In fact, this tax credit amounts, as the statement says, to a subsidy of about $250 million for the historic preservation program. We think this is good and proper and in accord with our recommendations to Congress. But we should not continue inefficient programs. We are asking this committee and the Congress not to continue the $26 million program that was provided for last year. We think the program is going along beautifully and an unprecedented rate of progress is being realized.

The Department has received tremendous support from the States, and I am pleased to report that litigation is down. Everything is going along beautifully regarding the program's priorities and policies that Congress has helped us to establish. They have been very beneficial for taking care of the natural resources of this land.

Mr. Chairman, let me submit myself and my colleagues to questions that you might have on specifics of the budget.

Senator McClure. Thank you, Mr. Secretary.

### PROGRESS OF DEPARTMENT

As is so often the case in hearings such as this, we tend to concentrate solely on the negative and forget to focus on the successes. While I won't waste this opportunity to discuss some of those negatives, neither do I want to miss the opportunity to congratulate you for much of the progress that has been made over the past 2 years.

Secretary Watt. Thank you.

Senator McClure. While I know a great deal remains to be done, you have made tremendous strides in such areas as improving the condition of our parks, getting State surface mining regulations in place so that reclamation funds can flow out at last to the States, and in fostering necessary strategic and critical mineral research programs which will help support the national security of our Nation.

In particular, Mr. Secretary, I want to congratulate you for your leadership in the creation of the Minerals Management Service, which has already made tremendous strides in improving our royalty management program and in providing all-important coordination of our OCS activities. There are numerous other examples of such progress for which you can rightfully be proud, and I know your plans for the next 2 to 6 years will result in many more successes. But we still have questions that remain.

### PAYMENTS IN LIEU OF TAXES

I am pleased to see in the fiscal year 1984 budget request about $96 million for the BLM's payment in lieu of tax program. This essentially maintains the fiscal year 1983 PILT program in fiscal year 1984. However, Mr. Secretary, I think you and we are both concerned about the Sixth District Court of Appeals decision on December 20, 1982, that may have the effect of requiring a complete revision in how BLM will administer the PILT program. This ruling found that the Secretary exceeded his authority under the PILT Act when he included a primary provider of services standard in his definition of units of general government.

This finding may mean that the BLM will have to increase significantly the number of recipients of PILT money from about 1,700 counties to as many as 19,000 units of government, and second, have to spend a lot more than the $400,000 currently provided for administration.

What was the court's response to the request for a rehearing?

Secretary WATT. I have a note written in on my briefing paper that says "Informal information. The rehearing has been denied." We have talked with the Solicitor's office about legal grounds on which to appeal and were not encouraged on that either. We think that there are insufficient legal grounds to appeal the decision to the Supreme Court. Since the rehearing has been denied, I guess we can really only wait for further instructions from the District Court before we will be able to get the specific information on the total effect of this decision. I think it is appropriate that you highlight this, because I wanted to emphasize that this administration, the Reagan administration, fully supports the concept of a payment in lieu of taxes. We want to work with you, and I know of your personal commitment to this, to bring about whatever authorizing legislation is needed and whatever appropriations are needed.

We feel that with the responsibilities of ownership, there is an obligation to pay your fair share. As landlord for one-third of the Nation, we think we ought to have a payment in lieu of taxes. We are, frankly, kind of set back by this decision, and we will have to work out further developments. We will work closely with you and this committee to resolve this problem.

Senator MCCLURE. Will you be able to make the apportionments by September, or is that going to require a further look at what the court requires of you?

Secretary WATT. We need to have a further look; and hopefully, they will have enough understanding that we can make that decision. If we need to come back to Congress, which is likely, to get a change or clarification, we will do so.

### STRATEGIC MINERALS

Mr. Chairman, if I might interrupt that particular question, I would like to go back to an issue I'd like to put into the record—particularly because of your comments. One of the most important decisions with regard to the Department of the Interior's work concerning strategic minerals was made last week by the President.

It didn't receive much attention in Washington, but it's of historic importance and will become more important in the years ahead. And the President should be commended for the courage that he showed in his decision.

The President declared last week that there would be an exclusive economic zone off the coast of America for 200 miles.

In 1945, President Truman made a courageous decision to include the Outer Continental Shelf as the exclusive jurisdiction of the U.S. Government.

And that claim of over 1 billion acres of land under the oceans for energy and mineral development which has contributed 24 percent of natural gas production and 8 percent of our crude oil production is critical to our future, because on that Outer Continental Shelf we expect to find two-thirds of all the petroleum that will be needed to heat the homes and to keep energy and industry moving in America.

President Reagan's decision puts 3.9 billion acres in the exclusive jurisdiction of the U.S. Government for minerals, energy, and fisheries. It's an extremely important decision as we look to our efforts to reduce our dependency on foreign sources for strategic minerals.

As the chairman knows, the U.S. Government is dependent upon Russia and South Africa for a majority of strategic minerals needed for military might and industrial strength.

With this decision, we think the United States is placed in a position to reduce our dependency on foreign sources for these strategic minerals.

I am extremely proud of the decision the President made, and obviously pleased to have been a party to the development of this decision.

It's extremely important that we prepare this country for its ability to protect its freedom and liberty.

Senator McCLURE. Thank you, Mr. Secretary.

I, of course, consulted with you and other officials of the administration in the development of the policy that was ultimately developed as we went through the law of the seas conference.

As that conference proceeded, it became apparent that we had to take some action to protect the United States. This was the outgrowth of that conference.

I very much appreciate what the President did and look forward to working with you to try to make sure that we implement that program.

I don't perceive any major difficulties. I think the reception of the world community has been quite good up until the present time.

Secretary WATT. Yes; it has.

Senator MCCLURE. Mr. Secretary, let me ask one further question. And then I will yield to Senator Leahy for his questions.

### BIA SCHOOLS

Together, we have been grappling with the problem of excess capacity in the schools operated by the Bureau of Indian Affairs and the difficulties faced by the schools that are recommended for closure.

Once a school appears on the list of those proposed for closure, we soon find that there is either a waiting list to get into that school or that enrollment dramatically increases. This is due to the fact that we basically allow Indian children to go to whatever school they choose and to change schools as often as they wish.

While we understand that the question of establishing attendance areas will be addressed in the standards to be published next fall, the plan now calls for the individual schools to establish their own attendance areas, which would then be reviewed.

In addition to being time-consuming, this approach could easily lead to gerrymandering, as there are simply not enough students to fill all available spaces in Bureau schools.

Why shouldn't the establishment of attendance areas be an administrative action taken by the central office, as it would be in any other school system in the Nation?

Secretary WATT. I think your suggestion is proper, and it should be. And it's embarrassing to find, again, that good commonsense hasn't prevailed in the Department of the Interior on issues such as this.

We will come forward with draft regulations which would provide nonoverlapping geographic attendance boundaries.

Right now, we are finding that from 30 to 50 percent of the Indian students in off-reservation boarding schools change schools in any one year. They're just migrating through these school systems.

We have about 30 percent excess capacity in our total system. That is very expensive. But it's been maintained because the Indian students just migrate wherever they need to or feel they want to go.

The schools systems of the Bureau of Indian Affairs are not good and have not been good. And the Indian children of this country deserve better treatment than they have been given for many years in the past.

And we will come out shortly with the draft regulations that you have urged upon us. We are trying to convert some of these Government institutions to schools of learning.

Again, this year, Mr. Chairman, not only do we seek to bring this change on nonoverlapping, geographic attendance boundaries, but we hope to close some of the schools.

These schools are not places of education, but they are sources of employment for communities. And I think that is a despicable way to address education problems.

We have proposed, as you point out, to close particular schools, and all of a sudden we would see increased enrollment there, with a big battle to keep the school open. This is because the local communities focus upon it as a source of employment, rather than as an education opportunity for Indian children.

I believe in public education. I believe in public schools. I do not believe in Government institutions. And that's what we have seen too frequently in these cases, Government institutions instead of places of learning.

We hope to have the support of this committee and the Congress to make some of these changes.

Senator McClure. Thank you, Mr. Secretary.

Senator Leahy.

Senator Leahy. Thank you, Mr. Chairman.

### LAND PROTECTION PLANS

Mr. Secretary, the Department of the Interior is now in the process of completing a new series of land protection plans in areas where land is being purchased.

When are these protection plans going to be completed?

Secretary Watt. We did a case study on eight that have been out in the regulations. And programs are being implemented in several of the areas right now.

I don't know that I have a date for the total implementation.

We have worked extensively with Senator Wallop's subcommittee under Chairman McClure's committee.

I don't know that I have the specific date on the final implementation. We will have to get that for the record.

[The information follows:]

### Land Protection Plan Schedule

A total of 195 land protection plans are scheduled to be completed during the next 3 years. Seventy-one are due by October 1, 1983: 76 are due by October 1, 1984, and 48 by October 1, 1985. The priorities for preparing plans have been established considering available funding for acquisition, the amount of non-Federal land within the authorized boundary, and the potential for impacts on unit resources.

### VERMONT LAND PURCHASE

Senator Leahy. I would like to break the tradition of the members of the Appropriations Committee and actually ask a parochial question. After 9 years here, it's time to break tradition.

And I think sometimes we forget, in Washington, when we set up new regulations or tougher regulations, that they also affect the lives of our citizens. And we're all concerned about them.

In Vermont—to use it as a microcosm of what's happened in some of these places—there are some 20 pieces of land waiting to be purchased. In fact, for six of these, offers have been signed.

Now, let me just tell you about one of the instances.

There is a man named Roger Potwin. The name is perhaps immaterial. But what has happened, he's been trying to sell a very small parcel of land, 7 acres for a small amount of money. At first, he didn't even want to sell. Now he does want to sell. I think the purchase price is something under $10,000.

The reason he wants to sell, he's been ill, he wants to use the money to pay for his hospital bills.

Your land protection plans are stopping the purchase. That's why I asked if we can find out when these things are going to move along.

Certainly what's more important in his mind right now is hospital bills and not the land protection plan.

This is a person who wants to pay his own hospital bills, I hasten to add.

Secretary WATT. We are phasing in protection plans. There will be 71 of them phased in this year, and we will have completed them by 1985.

But that doesn't answer your specific question as to how it will affect the State of Vermont. So, I will need to get the specifics on that at the time.

[The information follows:]

### APPALACHIAN TRAIL PLAN

Fifty-two miles of the Appalachian Trail in Vermont are outside of national forests and State areas. The National Park Service has protected 18 miles to date. The land protection plan for the Appalachian Trail is currently being reviewed and is scheduled for approval in July 1983. Pending approval of the plan, individual offers to sell are being reviewed on a case-by-case basis. One offer to sell in Vermont is currently being reviewed by the Washington office, and five additional offers will be forwarded in the near future. Negotiations are in progress with 21 additional landowners in Vermont. All of these tracts provide continuity for the trail or provide essential protection for the trail environment and will be given high priority for protection this year.

### ACQUISITION OF PROPERTIES

Secretary WATT. The story you tell is unfortunately not uncommon. We have, I would guess, over 3 billion dollars' worth of properties that should be acquired.

Just before coming to the table, this committee heard a witness from California talking about the Santa Monica Mountains. And he pointed out in his testimony that that project was authorized in 1978 for—$155 million I think was the figure he used in his statement.

There is no one who believes the Santa Monicas can be acquired for less than $1 billion.

When you have that kind of faulty information or runaway inflation, or whatever it is, that takes a project authorized in 1978 at $155 million to run up to $1 billion, we just don't have the money to address——

Senator LEAHY. The case is not that money isn't there. It's been appropriated. It's the regulations that are holding it up.

I think the regulations say "pending completion of the land protection plan, discretionary acquisition action of the individual unit of national park, the system is being reviewed on a case-by-case basis."

So, it seems to me just to be a case of bureaucratic redtape.

I only mention it because I know of the sagebrush rebellion out West. But let me tell you about the sugar bush rebellion back East.

We easterners from little States always worry about regulations.

Secretary WATT. This park land was probably authorized for acquisition years and years ago. It's not a new acquisition plan, I'm sure.

These people have been abused for many, many years, and this is your point.

I don't pretend that it is good government. I think it's bad government.

We have limited funds, landowners are harassed. So, we have to set priorities for acquisition.

First, the money goes to lands which are condemned under court action to pay the deficiencies, then hardships.

Certainly this man has a hardship, as you've outlined. And it should be focused upon and see if we can't take care of it.

So, I'm trying to emphasize the problem and our policy. Unfortunately, you are not giving an example that is peculiar or unique.

Senator LEAHY. That's my point, Mr. Secretary. If I thought that was a peculiar and unique thing, I would not take time at a hearing. I would send you a letter on that specific thing.

Secretary WATT. As you know, this has been going on for a number of years. I've been in and around these problems for 20 years.

When I used to work for the Senator from Wyoming, we had the same identical problems 20 years ago.

Senator LEAHY. If somebody on your staff looks into it and finds it moving along, he will find my office and phone number in the book.

Secretary WATT. Thank you. We'll try to do that.

## APPALACHIAN TRAIL PURCHASE

Senator LEAHY. I notice that less than $500,000 of the $10 million appropriated for Appalachian Trail purchases has been spent for a third of the year—5 percent of the money has been spent, which is a problem for the rest of the year.

Secretary WATT. We signed a purchase agreement yesterday. I'm told it's the largest purchase ever made in the Appalachian Trail.

We will have spent, we think, all of that money by the end of the year.

Senator LEAHY. Thank you, Mr. Chairman.

Senator MCCLURE. Thank you very much.

## ACQUISITION BACKLOG

You have mentioned that backlog. That has been one of the problems, whether you're talking about Santa Monica or any of the others. Part of the problem lies in faulty estimates in the beginning. Some of it lies in the fact that there was tremendous escalation of values the moment it was identified as something that the Federal Government wanted to acquire or preserve.

Secretary WATT. That's correct.

Senator MCCLURE. I don't know which of these is the greater part of the escalation of costs over original estimates.

Secretary WATT. One of the encouraging things about that point, Mr. Chairman, is once this administration came in and indicated its intention not to acquire those lands until we cleaned up the abuses in the national park system, the inflation dropped immediately. It was self-generated in many of the instances, and we have just backed off that significantly.

It's been interesting to see that reaction.

I might point out, just for the record, we get criticized frequently for stopping the purchases of National Park lands. That is simply not true.

And further, in the annual report that I presented, you will see some documentation with regard to appropriations and acquisitions.

You will see that during the first year of the Carter administration, there was six times as much money appropriated for acquisition of National Park lands than there was in the last year of the Carter administration.

I think that's interesting to note.

I'm not critical of the decisions at all. I think they're the right decisions.

But it's just interesting to note for the record where the cuts started. The facts are quite different than the public perception on that point.

Senator LEAHY. Mr. Chairman, I wonder if I might tell what happened when I sat in an airport at Los Angeles, and a man came up to me and said, "Sir, you just came in. Washington?"

I said, "Yes."

He said, "I want to shake your hand."

I said, "Certainly. Thank you."

He said, "I want to commend you for the wonderful job you're doing there in Washington."

I said, "Well, thank you very much."

And he said, "I know that President Reagan relies heavily on you."

I said, "Well, I try to help the President when I can." [Laughter.]

He goes on further. He says, "I love the way you're keeping those liberals in Congress in line."

I said, "I beg your pardon?"

And he said—he's still holding on my hand. He said, "Secretary Watt, if you were running for President, I'm your man." [Laughter.]

I said, "I have slightly more hair [laughter] than Secretary Watt, but only slightly."

I just want you to know that somewhere in Los Angeles you have a fan. [Laughter.]

Secretary WATT. Thank you.

Senator MCCLURE. Senator Burdick.

Senator BURDICK. Mr. Chairman, thank you.

### BASCULE GATE

Mr. Secretary, I hope you're familiar with this problem. It deals with the bascule gate in Dickinson, N. Dak.

Are you familiar with that?

Secretary WATT. Senator, Joe Gorrell is well prepared, and he can handle the answer better than I can.

Mr. GORRELL. Senator Burdick, the modifications to the bascule gate are essentially complete. A log boom and water circulating system have been installed upstream of the gate to prevent ice from going over the spillway.

In addition, modifications to the control system will be completed when the runoff conditions permit completing work on the gate.

There is a question of liability, as I understand, between the city of Dickinson and the Federal Government and the contractor. We don't really know who is going to pay the bill, but we know the bill is around $300,000.

Senator BURDICK. To make it simple, here's the problem. The city of Dickinson didn't believe the gate would work. They didn't want it. But they yielded to better judgment. The gate was put in, and it doesn't work.

Now, the question is: Morally, is there any other way or any other person responsible for paying $2.4 million on the gate if it doesn't work?

Mr. GORRELL. As I say, I don't have any additional information at this time, except that there was a question of liability that is yet to be resolved.

Senator BURDICK. I would certainly hope that you look at it very carefully, because this isn't very fair. The engineers locally didn't believe it would work, and they were right.

Mr. GORRELL. We would be very glad to look at that for you.

[The information follows:]

### BASCULE GATE—DICKSON DAM, N. DAK.

First of all, we believe that the gate will work. Every indication is that once the present modifications are complete, the gate will perform as it is supposed to and in accordance with the terms of the contract. We would not be continuing with this work if we did not feel assured that the gate will perform as it should. We have not accepted the gate from the contractor and it will not be accepted until the work is completed this spring and the gate has been satisfactorily tested. Once the gate has been accepted, the 2-year warranty by the gate contractor will be in force to take care of removing and replacing any parts of the gate and control system that may be damaged or fail from defects in design, materials, or workmanship.

In the highly unlikely event that testing of the gate should reveal that the gate will not work to provide water storage for the city of Dickinson, we would not accept the gate. Under the terms of our repayment contract with the city of Dickinson, their repayment obligation does not begin until we notify them that the work has been accepted as complete. Therefore, if we do not accept the gate, it would indicate that the city would not be responsible for repayment of the costs. Since the Bureau has no authority to write off the costs expended on the gate as nonreimbursable, some avenue to recoup those costs would have to be employed.

### ADDITIONAL STATEMENTS

Senator McClure. Senator Heflin and Congressman Corrada ask that their written statements be made a part of the record. They will be made a part of the record prior to the inclusion of the additional committee questions.

Mr. Secretary, just a couple of questions. Then, I'll submit the balance of the questions that we have.

### NORTHERN MARIANAS HOSPITAL

As you know, Mr. Secretary, the covenant of the Commonwealth of the Northern Mariana Islands calls for an annual adjustment to compensate for the rate of inflation during the fiscal year.

This year, that amount is calculated to be $3,188,000.

As you also know, Mr. Secretary, the U.S. Government had long ago agreed to build a new hospital on Saipan to replace the old delapidated facility, which was considered inadequate to meet the needs of people.

For fiscal year 1983, the Congress provided $10 million to begin construction of that new hospital.

Yet, less than 2 months after the 1983 Appropriations Act was signed into law, you have proposed that the $3,188,000 needed for the inflation payment be deferred out of the $10 million hospital account.

Not only does this act fly in the face of the congressional intent of the action just taken, it sends what I consider to be a very poor signal to the NMI, which you know will soon be a U.S.-flag territory.

Wouldn't you agree that this action seems to be poor policy of one of our own?

Secretary Watt. I'd like to ask Assistant Secretary Robin West to answer this question.

Mr. West. Senator, the Department has every intention of fulfilling its $15 million commitment to the hospital. That's the important thing.

The second thing is, we believe the funds will be available as they can be spent, and the project will be completed.

Senator McClure. You're going to contract with $3 million less?

Mr. West. No, sir. The fact is we were advised that all the $10 million could not be spent. It might be able to be obligated, but it certainly couldn't be spent in fiscal year 1983.

We feel that the money should be available as needed, as it can actually be drawn down.

Senator McClure. Are you submitting a request for 1984 that makes up that difference?

Mr. West. We have a $5 million request in 1984. And the remainder of the commitment will be fulfilled in the out-years.

Senator McClure. How do you build a hospital building, a little bit of it this year, a little bit of it next year, and a little bit in 1985, a little bit in 1986?

Mr. West. Well, sir, even with all the money, it takes several years——

Senator McClure. That's the way with Government projects.

We have just finished the Senate Office Building, right next door here.

Mr. West. That took a number of years, also, I believe.

Senator McClure. Yes; but that doesn't mean it's justified.

I don't know how many office buildings were built downtown—started, completed, occupied—during the period of time that the Hart Building was under construction, but I'm sure there were several.

And I don't know how many *x* millions of additional dollars it costs the taxpayers to do it that way, but I'm sure that's considerable as well.

Mr. West. One of the problems we had, Senator, was to provide funds when they're actually needed. The use of funds in certain accounts in the territories has on occasion been problematical.

We like to make funds available as they are needed.

Senator McClure. That hospital can be built in 2 years.

Mr. West. Well, sir, we are advised that the money will be available as it is needed.

Senator McClure. I'm telling you it will be needed in 1984 unless you have plans to delay it artificially.

Mr. West. No; we don't have plans to do that.

Senator McClure. Then the money will be made available in 1984, I assume?

Mr. West. We will look at the question closely, sir.

Senator McClure. Let me suggest just one other thing, and then I will not belabor the subject further.

### PUBLIC LAND DISPOSALS

Mr. Secretary, I want to thank you for having put an end to one of the most difficult political questions that is dividing our people in the West, and that was what was meant in the program for the disposal of excess public lands.

Assistant Secretary Carruthers has been up and given us detailed maps and detailed legal descriptions of all of the lands that have been identified for further study and possible disposal of those lands through State land selection, through exchanges, and so on, as well as direct sales.

That has done a great deal to diffuse the misinformation and the fear that was being engendered across the Western United States and throughout the United States about what the direction was in land sale programs.

While we haven't come to the end of that question, certainly that action, while belated, I think has put that into a much different and more appropriate context.

Secretary Watt. Thank you for your leadership in helping us get the facts out on that situation.

I hope we can get that understanding across to everyone, to every State.

PREPARED STATEMENTS AND ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Thank you very much, Mr. Secretary. We will submit further questions for response——

Senator Burdick. I have one other question.

Senator McClure. Senator Burdick.

Senator Burdick. Mr. Secretary, I understand someone representing this Office of Surface Mining, will be scheduled to appear before this committee in the future.

Secretary Watt. Yes.

Senator McClure. That I believe is scheduled for April 5.

Senator Burdick. That's fine.

Senator McClure. Thank you again, Mr. Secretary.

[The information follows:]

### Statement of Senator Howell T. Heflin

Thank you for the opportunity to appear before you today in support of adequate funding for State and private forestry programs contained in the U.S. Department of Agriculture Forest Service budget. These programs are carried out by the Forest Service in cooperation with State foresters. They are primarily designed to aid the private nonindustrial landowners who own 58 percent of the Nation's commercial forest lands. These forest lands contain the greatest opportunity to increase timber production to meet the projected 30-percent increase in domestic demand by the year 2000. Increased production on these forest lands can also help strengthen our Nation's global economic position by providing increased forest products for export to developing world markets. These increases can and should also be achieved in a sound management strategy that protects and/or enhances other resources of the forest, such as clean water, wildlife, soils, et cetera. We owe it to future generations of Americans to take appropriate steps now to insure their future well-being.

I am here today because, I believe, the drastic cuts proposed in the President's budget will result in virtual elimination of assistance to the State foresters in these vital programs. The States are in dire financial straits at this time because of the slowdown in our economy as well as other major shifts in responsibility from the Federal Government to the States with no corresponding increase in financial help. The States cannot pick up the slack. The significant reduction in funds as proposed in the President's budget will necessarily result in a reduction of service to private landowners with the resulting reduction in forest resource benefits to the Nation.

It is inconceivable to me at a time when our farmers are in such financial stress that we subject their forests and other holdings to an even greater risk of destruction by wildfire.

At a time when we are beginning to see some relief in the current high and untenable levels of unemployment, it is also wrong to add more than 2,500 State and Federal workers to the unemployment roles as envisioned in this budget.

The request for funding by the National Association of State Foresters is $74,400,000 for these important programs next year. This level of funding appears to me to be entirely appropriate because of our historical commitment as well as the current situation and future needs for forest products and other resource benefits. I urge you to give your full and favorable consideration to this matter. I am fully aware and supportive of the need for fiscal responsibility by the Congress and the administration during these times. I firmly believe, however, that eviscertation of these vital programs is not responsible and in no circumstances should funding for them be less than the $62,328,000 current year appropriations level.

## STATEMENT OF HON. BALTASAR CORRADA, RESIDENT COMMISSIONER, PUERTO RICO

My testimony today will be limited to one project which is of tremendous importance to us in Puerto Rico and which is also of great importance to our Nation's cultural heritage. El Morro Castle, an integral part of the San Juan National Historic Site, was constructed by the Spaniards between 1540 and 1591 as part of a fortress to protect the island from invaders. The fortress has withstood major attacks throughout the centuries, including the Spanish-American War of 1898.

It seems to rise out of the water at the entrance of San Juan Harbor and its impressive size and beauty have helped make it a major tourist attraction in Puerto Rico with over 1.5 million visitors annually.

Throughout the centuries, the cumulative effect of years of ceaseless pounding by the ocean as well as exposure to the elements, have contributed to the undermining of the foundation underneath the fortress. Huge caverns have been formed that threaten the structural integrity of the fortress.

Since 1976, the National Park Service, in coordination with the Army Corps of Engineers, have conducted studies and some repair work to the walls of El Morro. To date, over $13 million have already been spent on this work but the job is still far from completed. Last year, when the administration submitted its budget request for fiscal year 1983 they failed to include a request for continued appropriation for the work at El Morro. Officials of the National Park Service explained to me that the delay would be for only 1 year because of budgetary concerns and the need to undertake repairs in areas where life and limb were endangered. I was reassured, however, that funding would be requested for fiscal year 1984. I was thus extremely disappointed when the fiscal year 1984 budget request by the administration again failed to include money for El Morro.

We cannot afford any further delay. Any additional delay in repairing the walls may cause irreparable harm to the foundations of the fortress and may result in millions of additional dollars in total costs because of our failure to act now.

We need a total of $4.5 million in fiscal year 1984 to enable the resumption of the most critical work. That money would be used as follows: $1 million for rock grouting of the north wall to the west wall sentry box; $1.1 million for a 300-foot concrete facing west wall and $2.4 million for shore line revetment, Santa Elena West Wall. In addition, there is also the need to appropriate $13.5 million for the construction of a breakwater, although this amount could be spread out over a number of years at the rate of $4 million a year.

Mr. Chairman, I urge you to give this request your most serious and urgent consideration and that you include as a minimum the figure of $4.5 million for repair work at El Morro Castle. Those of you that have traveled to Puerto Rico have been impressed by the beauty and splendor of this magnificent fortress. We owe it to those who built it and those who visit it today to protect it for the enjoyment of generations to come.

Thank you.

## ADDITIONAL COMMITTEE QUESTIONS

### PILT Court Case

Question: Will the Department urge the Justice Department to appeal to the Supreme Court?

Answer: The Justice Department has advised us that we do not have sufficient grounds to appeal to the Supreme Court. However, the Justice Department did request a rehearing by the entire Circuit Court. They also requested that the decision be applied prospectively if the request for the rehearing was denied. We have been advised that the request for the rehearing was denied in early March and that the decision will apply prospectively.

Question: Do you have a preliminary estimate of what it would cost if the Court ruling provides for retroactive payment, with interest, to the units of government now potentially eligible for payment?

Answer: Since the Circuit Court has determined that its decision will apply prospectively, retroactive payments will not be made.

### Bureau of Land Management/Minerals Management Responsibilities

Question: I'd like to discuss with you a minute your transfer of responsibility for onshore mineral operations from the Minerals Management Service to BLM. This assigns BLM responsibility for mineral resource evaluations, determinations of fair market value, approval of drilling permits and mining plans, and on-site inspection and supervision of lease operations. It leaves MMS the responsibility of managing mineral revenues, including collection and distribution. Will this change result in more efficient management of our minerals program? Will BLM be able to absorb the additional 782 FTE and the additional $35 million without a problem?

Answer: The merger of former Minerals Management Service (MMS) onshore minerals management functions with the existing BLM minerals organization is expected to result in significant management efficiencies and improvements in public service. The new BLM organization will more clearly emphasize opportunities for energy and minerals development on Federal and Indian lands, strengthen BLM's minerals expertise, and should definitely result in more efficient minerals management procedures and improved multiple resource management. The consolidation will enhance service to both industry and the public by combining within one Bureau the responsibility for all pre-lease and post-lease minerals management activities on the public lands managed by BLM, including leasing, permits, inspections and compliance and by integrating multiple-use land management planning for both surface and subsurface resources.

BLM has already begun the process of implementing the consolidation of functions. New energy and mineral resources organizational structures have been approved for both BLM field and headquarters offices, and current plans call for the transfer of former MMS onshore minerals management personnel, property and budget authorities to BLM on April 3, 1983. Within this transfer, the funding and FTE workyears required for BLM to operate the former MMS activities through the end of FY 1983 will also be provided to BLM. Implementation of the merger at this time will permit the BLM to absorb and efficiently utilize the requested FY 1984 budget levels for energy and minerals management. The integration of this program of some 780 FTE and $35 million into BLM's existing organization of nearly 10,000 employees and over $400 million in operating funds will not be a problem.

### Land Acquisition Program

Question: Does the FY 84 land acquisition proposal include all known deficiencies and court awards? If not, which ones are not included and why are they not included?

Answer: All known deficiencies and court awards are included in the FY 1984 BLM proposal. The FWS anticipates no deficiencies or court awards in FY 1984. The total amount of the NPS anticipated deficiencies and court awards for FY 1984 is $59.0 million. The budgeted amount for these items is $50.1 million. The shortage is $8.9 million, of which $6.7 million has been identified as slippage due to the normal 10 to 20 percent unobligated rate each fiscal year. This is primarily caused by unforeseen delays in the scheduling of trials and court procedures. The $2.2 million, $8.9 million minus the $6.7 million slippage will be made available through reprogramming. At this early date we are unable to identify the specific deficiencies and court awards that may not be funded in FY 1984 due to slippage.

## Bureau of Mines - Mineral Institutes Program

Question: With regard to the mineral institute program, I am disappointed that the Department has again proposed zero funding. As I noted at our recent Bureau of Mines hearing, rather than say that the institute program should be zeroed because it is not "uniquely Federal," the Department is zeroing it because the institutions have other sources of public and private support to help meet their program objectives. Upon closer examination of this question, however, there appears to be little, if any, ability to provide such support beyond what is already being done by both the States and private industry.

It seems to me that the Federal effort to provide what might be called seed money for mining and minerals research is just as important as the Federal effort to provide agricultural research. And it seems to me that slightly over $9 million is a very modest price to pay for this important and necessary research. Wouldn't you agree with this, Mr. Secretary? Don't you also agree that there is indeed a modest though specific Federal role which can and should be made to promote higher education in the geological sciences as well as mining and minerals engineering?

Answer: The mineral institutes have been very successful in attracting funding from both private and State sources for research. According to reports sent to us by each of the mineral institutes, they collectively received for research $20,105,000 from State legislatures and agencies and $11,508,000 from private sources in the current academic year. Each also received substantial amounts for educational purposes from their respective State legislature. In addition to mineral institute funds, an additional $7,009,000 was awarded to mineral institutes for mineral-related research from bureaus of the Department of the Interior and $1,452,000 from the National Science Foundation in FY 1982 funds.

The State universities are arms of the various States, not the Federal Government. If State control is to be maintained, we must not let Federal support become dominant. There was a need for seed money to help establish quality graduate programs in the mineral sciences and engineering. Since 1978, the mineral institutes program has encouraged the States to establish and improve their mineral education programs and the States have responded. Now that those needs have been successfully met, it is time to phase out Federal support for this program.

Support for geological sciences has always been a part of the mineral institutes program. It has not had heavy emphasis because research in the geological sciences has been, and is, strongly supported by the National Science Foundation.

Question: Did the Bureau of Mines ask the Department for FY-1984 funds for the mineral institute program and likewise did the Department make a similar request of OMB?

Answer: Neither the Bureau of Mines nor the Department requested FY 1984 funds for the mineral institutes program.

## Minimum Size of Indian Schools

Question: Has any consideration been given to establishing a minimum size for schools in order to improve the quality of the education provided the students?

Answer: The Bureau is aware that small size schools can negatively affect course offerings available to its students, especially in the junior high and secondary schools. The current criteria for the provision of new school facilities requires that a minimum of 25 elementary (K-8) students and/or 50 secondary (9-12) students be enrolled. The Bureau will look into setting higher minimums since the geographic isolation of students is a decreasing problem, and the increased number of roads makes public schools on reservations with their primarily Indian student populations, quite viable alternatives. Early Bureau schools were developed to provide separate instruction for Indian students, when the lack of a tax base made it difficult to support public schools, and prior to legislated Federal funding attached to Indian students, e.g. Johnson O'Malley, Title IV, Impact Aid.

### Northern Marianas Hospital

Question: Doesn't the action to use hospital funds to pay the inflation adjustment actually constitute a reprogramming, not a deferral? Do you plan to send up such a reprogramming request?

Answer: The proposed action to use hospital funds for the inflation adjustment represents a delay in the use of funds, and as such, it is a deferral. The deferral report transmitted to the Congress also identified an alternate use of the funds in the justification. The Department does not intend to submit a reprogramming request for the use of these funds.

### Trust Territory Grants

Statement: With respect to the Trust Territory in general, I continue to receive reports that a variety of Department of the Interior administrative actions continue to exacerbate what is already a difficult situation. Besides the unbelievable delay in forwarding your reprogramming request to help fund the ongoing plebiscite and voter information programs, perhaps the most serious problem stems from the apparent delays in making appropriated funds available to the Trust Territory governments in a timely fashion. I am told it took nearly two months to forward funds provided to fight the FSM cholera epidemic. Enhanced operations and maintenance funds are, I am told, still not allocated to the three governments, and apparently neither are much, if any, of the available construction funds. Mr. Secretary, this problem has to be resolved. A greater interest in the affairs of the flag territories and Trust Territory must be played by both you and the Department as a whole if the problems of these people and governments are ever to be resolved.

Response: We have done a great deal to guarantee that there are no delays in getting appropriated grant funds to recipients. We understand Micronesian financial needs and we are very concerned about avoiding delays in the grant process. We encouraged the Trust Territory to begin using the letter of credit process for drawing down their money, a much speedier process than the more cumbersome drawdown from Treasury. The letter of credit was instituted beginning this fiscal year. Because of the new procedure, funds were made available to the High Commissioner the day after the grant of these funds was accepted. The High Commissioner exerts every effort to ensure timely transmittal of funds, once they are available to the Trust Territory.

We would like to respond to the specific items just mentioned. The reprogramming request was not developed until all three governments had submitted reasonable funding estimates, had signed the Compact, and had taken steps to organize a program that would effectively inform the voters. On-site visits by key staff members familiar with the particular sensitivities of the program occurred in October and November, contributing to the development of the request. The submission of a second, larger request by the Marshall Islands on November 16, 1982, required a reassessment of the proposed reprogramming and revisions of the draft reprogramming letter. From the time the request was finished in the Office of Territorial and International Affairs, it was shepherded through the Executive Branch and was signed within a month.

With regard to the cholera epidemic, once funds are appropriated, there is a time-consuming process that includes Treasury warrants, apportionment of the funds in OMB, and the grant offer and acceptance, that must be completed before the funds can be turned over to the Trust Territory. The letter of credit procedure hastened the process somewhat, but could not begin until the grant was legally obligated. The funds were alloted to the Federated States of Micronesia upon review and approval of their spending plan. The allotment action was prepared in anticipation of the funds being made available so that immediate action could be taken once they were. Truk State had expended over $400 thousand by the time the grant was consummated, to be reimbursed by the emergency cholera funding.

The three Micronesian governments have been asked to develop plans for use of the special operations and maintenance funds. These funds will be allocated once plans are prepared by the governments and reviewed by the High Commissioner. Planning for the use of the operations and maintenance funds will be closely tied to the requirements identified in the Department's May 1981 report on this subject.

Construction funds are not allocated by the Trust Territory to the governments, but to the U.S. Navy Officer in Charge of Construction (OICC), upon completion of a reimbursable support agreement. These funds are used for the projects for which they were appropriated, once the projects are fully scoped and designed by the OICC. As our construction agent in the Trust Territory, the OICC has responsibility for use of the funds.

## QUESTIONS SUBMITTED BY SENATOR WALTER D. HUDDLESTON

### Kentucky Grant Application

Question: On February 2, 1983, the State of Kentucky submitted its FY 1983 request of approximately $27.5 million to the Office of Surface Mining for funds from the Abandoned Mine Reclamation Fund, to undertake much-need reclamation work. What is the status of Kentucky's grant application? In light of my efforts to gain additional state reclamation funds in your FY 1983 appropriation bill, I am particularly interested to know if there is any reason to expect that the full amount of Kentucky's request would not be granted.

Answer: The State of Kentucky submitted its Abandoned Mine Land administrative and construction grants on February 3, 1983, for $1.9 million and $25.6 million, respectively. The grants are under review, appear complete, and present no administrative problems. Approval should be made by April 4, 1983. Since it is early in the fiscal year, the initial award will probably be for the amount of Kentucky's share of prior year collections, which is $20 million. Depending upon the timing and amounts of other State grant awards, there may be sufficient funds later in the fiscal year to award Kentucky the remaining $7.5 million. Additionally, States are currently developing requests for funding of rural abandoned mine reclamation type projects. There is $15 million available for all the States for this purpose and Kentucky may receive some of these funds, also.

### Discretionary Funding

Question: There is some concern in the States that the increase in the discretionary funding to be allocated in your FY 1984 bill will not be distributed in such a way as to fully reflect geographic considerations, i.e., the States from whence the revenues were derived, as is called for in Section 402(g)(1) of the Surface Mining Act.

We are told that OSM is planning to base its discretionary allocation solely on "national program needs" as that agency perceived them. The Act appears to demand that the geographic needs must also be considered.

Do you believe that geographic consideration should also be a factor in the allocation of discretionary monies?

Answer: Section 402(g)(1) of the Surface Mining Control and Reclamation Act requires that, "The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the national program needs for the funds." We believe that the geographic allocation aspect of this portion of the law are more than adequately covered by the "State-share" provisions of Section 402(g)(2). The "national program needs" allocation procedures are described in OSM's "Abandoned Mine Lands Policy Statement" which has recently been made available to the Congress.

## DEPARTMENT OF ENERGY

### SECRETARY OF ENERGY

### STATEMENT OF DONALD PAUL HODEL, SECRETARY OF ENERGY

ACCOMPANIED BY:
- MARTHA O. HESSE, ASSISTANT SECRETARY FOR MANAGEMENT AND ADMINISTRATION
- ELIZABETH E. SMEDLEY, ACTING DEPUTY CONTROLLER

### PREPARED STATEMENT

Senator McCLURE. We will now turn to the Secretary of Energy. the Department of Energy's request for new budget authority for the programs under the jurisdiction of this subcommittee amounts to some $666,638,000—a decrease of $387,611,000 from the fiscal year 1983 level.

When the off-budget strategic petroleum reserve oil acquisition and transportation funds, as well as other transferred funds made available in fiscal year 1983 are taken into account, this fiscal year 1984 request represents a reduction of $2,300,271,000 below the 1983 program level.

Secretary Hodel, I believe this is the first time you have testified before this subcommittee. We certainly want to welcome you and wish you well in your job.

We invite you to introduce whomever else you have with you that you wish to assist you in answering questions today, and then we will begin our questioning.

Your statement, of course, will be put in the record in full and you can summarize that statement after introducing those associates members you wish.

[The statement follows:]

## STATEMENT OF DONALD PAUL HODEL

Mr. Chairman, Members of the Committee, I appreciate the opportunity to discuss with you the FY 1984 budget request for the Department of Energy, and the energy policies of this Administration to which this budget is responsive.

Before presenting the details of the budget request, I would like to offer my perspective on energy and energy policy and describe the current energy situation.

### ENERGY PERSPECTIVES

First, I believe that energy has an importance far beyond most commodities, because, directly and indirectly, energy is significant to every aspect of the U.S. economy. Domestic and international economic recovery and growth cannot take place without stable, reliable energy supplies that are available at a reasonable cost. Economic strength -- and ultimately the strength and security of the free world -- are dependent upon a purposeful energy policy that encourages efficient use of existing resources and timely development of technologies and resources for the future.

Another belief I hold very strongly is that overreliance on any one energy source is unwise, and that a balance among energy resources is needed. This Administration's energy policy seeks a balanced energy program that includes a full range of energy technologies which compete fairly in the free market. It is a policy that avoids overreliance on any one energy source and recognizes regional diversity in determining the optimum mix of energy supplies and patterns of energy use.

Finally, it is particularly important, I believe, to take note of energy conservation. Past supply disruptions and the impact of sudden price increases have led to increased investment in energy conservation. These investments have clearly demonstrated that conservation makes good business sense -- and more importantly, that we must view conservation as a resource and not simply something we do for altruistic reasons.

These three principles—that energy is vital to a strong economy and, ultimately, to the strength of the Free World; that we must have a flexible and balanced approach to utilizing our energy resources; and that conservation should be viewed as an important energy resource—are beliefs I have held since my days as Administrator of the Bonneville Power Administration. These beliefs underlie the energy policies of the Reagan Administration and are embodied in the budget proposal I will present to you today.

### THE CURRENT ENERGY SITUATION

As a Nation, we face a much more favorable energy situation than at any time during the past decade. In 1982, the United States produced about 90 percent of the energy it consumed, the highest level of energy self-reliance in almost ten years. Imported oil is down, both in absolute amount and as a percentage of consumption. This is a result of two heartening factors - an increase in domestic production since 1977, and a drop in domestic consumption, due in significant part to conservation practices in the face of increasing prices.

Moreover, the proportion of our oil imports coming from distant and potentially insecure Persian Gulf and North African sources has declined, and we have made more use of oil from nearby sources such as Mexico. Finally, since achievement of a better balance among various energy sources is a policy goal of this Administration, I am especially pleased to note that we have seen a significant change in the mix of fuels contributing to energy growth. Since 1973, virtually all of the energy growth has come from coal and nuclear power, whereas increased use of oil and natural gas fueled energy growth previously. This Nation has vast energy supplies and a growing capability to make use of all of them.

### THE FEDERAL ROLE IN ENERGY

The Federal role in energy is one of fostering a climate that enhances national and international peace and security while assuring adequate and reliable energy supplies which are reasonably priced, environmentally acceptable, and efficiently used. Within this context, the Department of Energy has several specific goals which are reflected in our proposed budget for FY 1984 at levels which I believe to be appropriate in our current economic circumstances. These goals are:

- o Support of long-range basic research programs.
- o Conduct of energy-related applied research and technology development programs in areas that involve large, unpredictable and long-term risks, costs, or payoffs and therefore attract little or no private funding.
- o Foster the development and utilization of a wide range of energy resources including conservation, and solar and other renewables, in addition to conventional resources.
- o Manage programs and facilities for national defense in the areas of nuclear weapons, nuclear materials, and naval reactors.
- o Develop and manage energy emergency preparedness policies and programs.
- o Support U.S. international energy objectives and non-proliferation activities.
- o Provide useful, objective energy information.
- o Manage the Department efficiently and effectively.

## BUDGET OVERVIEW

The FY 1984 budget request for the Department of Energy is $11.9 billion in budget authority, including $583 million in off-budget oil acquisition and transportation funds for the Strategic Petroleum Reserve. Anticipated outlays are $13.0 billion. The FY 1984 request represents a decrease of $933 million in budget authority from the levels appropriated in FY 1983. This decrease is the net effect of decreases in funding for Energy programs, the Strategic Petroleum Reserve, and Departmental Administration, offset in part by increases in Defense Activities and General Science.

Energy programs comprise about 30 percent of the Department's budget for FY 1984, approximately the same percentage as in the larger FY 1983 budget appropriated by Congress. The FY 1984 request continues the redirection of the Federal effort away from near-term technology demonstration in favor of longer-term, high-risk research and development, which has been a feature of this Administration's energy budget policy. Consistent with this policy, such longer term programs as Magnetic Fusion and Basic Energy Sciences show increases in FY 1984 over the level of FY 1983 appropriations. Fossil Energy, Conservation, and Solar and Other Renewable programs show reductions against the level of FY 1983 appropriations, reflecting a commitment to the support of longer-term technology base development activities rather than near-term product and process development that is better left to the private sector. Although our budget request in these technology areas is below the level of Congressional appropriations in FY 1983, it is higher than our FY 1983 budget request, and reflects a genuine attempt to accommodate certain Congressional concerns over the pace of our redirection.

I am pleased and very supportive of the budget's commitment to essential energy research and development. I believe we are making use of the taxpayers' dollars in the proper manner by applying those dollars where the need for Federal investments is indisputable, and resisting the temptation to support near-commercial technologies, where we might merely supplant funds the private sector could otherwise invest.

The Strategic Petroleum Reserve budget request is reduced significantly. This reduction does not signal a reversal of the Administration's support of the SPR as an essential element of protection against supply emergencies. It reflects overall budget requirements and an appreciation of the much improved world energy supply situation and the increased level of protection the SPR now provides as the result of our resolute development and fill practices. The Administration target continues to be the development of a 750 million barrel Strategic Petroleum Reserve.

The Departmental Administration funding request is reduced as a result of increased revenues and decreasing employment levels due primarily to the scaling-down of marginal programs.

The General Science program area is up sixteen percent over FY 1983, due primarily to utilization of a number of major new research facilities just now coming on line and acceleration of an important construction project.

Finally, Defense Activities represents over half of the total budget request for the Department in FY 1984. The request of almost $6.8 billion represents a nineteen percent increase from FY 1983, and reflects the Department's commitment to fulfill the requirements of the Department of Defense for nuclear weapons and materials production.

The budget we are proposing is presented in a format appropriate to the existing Department of Energy. However, the Administration believes that the nature of the Federal effort required to assist in meeting national energy objectives no longer requires a separate Cabinet-level agency devoted solely to energy.

I would now like to discuss the funding request for selected major program elements.

## FOSSIL ENERGY

The United States has abundant domestic supplies of coal, petroleum, oil shale, and natural gas, and the role of the Department's Fossil Energy program is to help establish an adequate scientific and engineering knowledge base so that the private sector can apply new and improved technologies for making use of these vast resources. Consequently, the Department concentrates on applied research and technology development which industry could not be expected to undertake on its own, while leaving the commercial introduction of developed technologies to the private sector.

The FY 1984 budget request for fossil energy programs is $138 million, which is to be partially offset by $44 million in prior year balances. This constitutes a considerable reduction from the FY 1983 appropriation of $311 million, but is approximately 27 percent higher than our request in FY 1983. I believe our request is fully adequate to fulfill the proper Federal role and build upon past Federal investments in fossil technology. Approximately $110 million of the request is for programs designed to better utilize the Nation's coal reserves. The major funding element within the coal program is the Advanced Research and Technology Development program, which is to receive almost 30 percent of the overall funding. The remaining funds are applied in a balanced manner to liquefaction and gasification technologies, coal preparation, fuel cells, combustion systems and heat engine research.

## CONSERVATION

The aim of the Energy Conservation Research program is to conduct basic research in fields of scientific inquiry where new knowledge can expand the generic technology base underlying energy conservation. This will support private sector efforts to develop ways to make more efficient use of available energy and to facilitate use of nonpetroleum energy sources. The FY 1984 budget for Conservation activities, including Electric Energy Systems and Energy Storage programs, is $101 million, almost $80 million more than the Department's FY 1983 request. Electric Energy Systems and Energy Storage together account for $27 million. The $74 million requested in the Conservation appropriation account is divided among the various end-use sectors the research effort supports, such as Buildings and Community Systems, Industrial Energy Conservation, and Transportation.

In FY 1984, the major focus to the Buildings area will be on performing technology base research and development that will allow the private sector to improve the energy efficiency of buildings, insulation, heat pumps, and furnaces. The Industrial program will concentrate on combustion efficiency improvements, waste heat recuperators, industrial heat pumps, conversion of industrial waste to fuels and feedstocks, energy efficient separation systems, and process control systems. In the Transportation area, major efforts will continue in heat engine development, development of electric vehicle battery and propulsion systems, alternative fuels utilization, and development of advanced materials.

The Department's budget requests $3 million for the management resources required to perform an orderly closeout of the State and Local conservation grants programs. We believe that the Administration should continue to assist the needy to adjust to high energy prices through the Low Income Home Energy Assistance Program administered by the Department of Health and Human Services.

## SOLAR AND OTHER RENEWABLES

Solar and Other Renewable Energy resources offer the potential for significant energy contributions over the long term. In addition to direct solar energy technologies, such as photovoltaics and solar thermal, this energy research category includes biomass, wind, and geothermal energy technologies. The budget request in FY 1984 is $102 million, approximately 29 percent above our budget request in FY 1983.

A number of solar applications are competitive today in certain regions. Consequently, the Department's programs will concentrate on technology base development in certain areas, such as advanced photovoltaics, where the investment risks are high and industry cannot be expected to undertake completely the long-term research necessary to bring the technologies to the point of commercial introduction.

The largest program element within the Solar research area is Photovoltaics, for which the budget request is $33 million. The thrust of the photovoltaics program will be on establishing the scientific feasibility of advance photovoltaic materials, because a five-fold improvement in efficiency/cost is required for sustained market penetration.

Other major elements of the budget request include Solar Thermal, Biomass, and Geothermal. Our $22 million program in Solar Thermal will emphasize materials research, central receiver technology, and heat transfer systems analyses. The Biomass program will concentrate on research and development on thermochemical and biochemical conversion processes capable of producing solid, liquid and gaseous fuels from organic material, and will investigate methods of increasing algal biomass feedstocks through species screening and genetic engineering. The Biomass budget request is $17 million.

The Geothermal budget request of $14 million supports a technology base development program which can be used by the private sector for future development of geothermal energy sites.

## GENERAL SCIENCE

The programs included in the General Science appropriation support basic research into the fundamental structure and behavior of matter. Much of this work has no direct or immediate application to energy technologies, and it is carried out as an endeavor for the advancement of the frontiers of science.

The budget request for FY 1984 is $645 million, a sixteen percent increase over the FY 1983 figure of $554 million. The increase is due to the expanded research opportunities provided by the availability of major new facilities in the High Energy Physics and Nuclear Physics programs. In High Energy Physics, FY 1984 will see the first full year of operation of the Energy Saver superconducting synchrotron at Fermilab. Also at Fermilab, construction will continue on the Tevatron I and II construction projects, and construction of the SLAC Linear Collider will be accelerated at the Stanford Linear Accelerator facility.

The Nuclear Physics program will make use of new facilities at the Lawrence Berkeley, Oak Ridge, and Argonne National Laboratories and the Bates Electron Accelerator Laboratory. Also, Van de Graaf accelerators at Yale and the University of Washington will be upgraded.

## BASIC ENERGY SCIENCES

The Basic Energy Sciences program seeks to provide fundamental scientific knowledge relevant to energy exploration, production, conversion, conservation, and use. The proposed budget for FY 1984 is $350 million, approximately

24 percent above the amount appropriated in FY 1983. A major portion of the increase is associated with an advanced materials research initiative which includes two major construction projects and related research and equipment. The new construction projects are a National Center for Advanced Materials at Lawrence Berkeley Laboratory and expansion of the research capability of the National Synchrotron Light Source at the Brookhaven National Laboratory.

## MAGNETIC FUSION

Successful development of fusion energy would ultimately provide access to an inexpensive and essentially inexhaustible domestic energy resource base. The objective of the Magnetic Fusion Energy program is to develop an economically competitive technology in an environmentally sound manner.

Two confinement concepts, the tokamak and the tandem mirror, are developed to the point that both are ready to attempt production of reactor-grade plasmas. In FY 1983-84, several major new fusion facilities will begin operations: the Large Coil Project, the Tritium System Test Assembly, and the Tokamak Fusion Test Reactor (TFTR). In 1986, the TFTR will be the first fusion device in the world to attempt to demonstrate energy breakeven.

The FY 1984 budget request of $467 million will provide the necessary support for continuing the development of the two leading fusion concepts, tokamaks and tandem mirrors, and for limited support of experiments on alternate confinement concepts, including the Reverse Field Pinch and Compact Toroids. Another significant element of the FY 1984 budget strategy is to maximize coordination with foreign fusion programs, including those in Japan, West Germany, and the USSR, and provide limited funding to continue design and development activities on the Fusion Materials Irradation Test Facility in anticipation that an international agreement can be reached on joint construction funding.

## NUCLEAR FISSION

The Department's Nuclear Fission activities are designed to provide the technological base to revitalize industry's efforts to continue the development of nuclear power as an economic and environmentally acceptable source of base-load electric power. The program includes research on conventional reactors as well as breeder reactor systems, and concentrates also on nuclear waste and fuel reprocessing technologies. The FY 1984 budget request is $848 million.

The largest element in the Nuclear Fission budget is Breeder Reactor Systems. The request for Breeder Reactor Systems is $603 million, of which $270 million is for the Clinch River Breeder Reactor (CRBR) project. Funding for the CRBR was provided for FY 1983 subject to certain restrictions on its use, and with a requirement for a vigorous exploration of possible methods of reducing Federal budget requirements for the CRBR or alternative projects. I am fully aware of the depth of Congressional concern, and I intend to fulfill my pledge to seek alternative methods of financing this costly but extremely valuable project. If we are unable to produce an alternative funding proposal, I have indicated that we cannot expect the Congress to fund our FY 1984 budget request.

Assuming the CRBR proceeds as planned, site preparation activities will be essentially completed in FY 1983. In FY 1984, plant design will be virtually completed and construction of the plant foundations will begin upon receipt of authorization from the Nuclear Regulatory Commission.

In addition to the CRBR, a $272 million breeder base technology program is proposed to develop components, fuels, core designs, engineering systems, and materials suitable for breeder reactors, and to operate a number of highly specialized facilities which test components, safety procedures, and system operations. If we do not proceed with the CRBR, we will have to evaluate which of these efforts must continue and at what levels.

## NUCLEAR WASTE DISPOSAL ACTIVITIES

One of the great achievements of the 97th Congress was the passage of the Nuclear Waste Policy Act of 1982 on December 20, 1982. This legislation, signed into law by the President on January 7, 1983, establishes a Fund to finance activities related to development, construction and operation of a commercial high-level waste repository and development of the Monitored Retrievable Storage option.

The Fund is to be financed by fees paid by nuclear utilities. The budget request in FY 1984 is $307 million, while fee collections are expected to total $448 million. Revenues are to offset required budget authority, with revenues in excess of requirements being retained in the Fund as offsets to future needs.

Efforts in the Waste Disposal program are directed toward site selection, licensing, construction, and operation of mined geologic repositories, and will include activities such as site characterization and exploratory shaft development. To ensure that the requirements of the Waste Bill are fully understood and acted upon as promptly as possible, I have detailed a number of Department of Energy employees from the Policy and Planning organization to a special task group for this purpose.

The program is now focusing on four main geographic areas: the basalt flows underlying the Hanford Site in Washington, the tuffs underlying Yucca Mountain at the Nevada Test Site, salt domes in the Gulf Coast States, and bedded salt formations in Texas and Utah. Nationwide screening of additional sites in other geologic media, such as the granitic rocks of the Lake Superior and Appalachian region, will continue.

## URANIUM ENRICHMENT

The FY 1984 budget request for uranium enrichment activities is $2,240 million. This includes funding requirements for the three major elements of the program: gaseous diffusion operations and support ($1,485 million); gas centrifuge operations and support ($681 million); and advanced isotope separation ($73 million). Funds requested for gaseous diffusion operations are primarly for electric power required for the production of 12.1 million separative work units (SWU) of enriched product. The costs of the program are completely offset by revenues from the sale of enriched uranium.

The FY 1984 budget also requests funds for the Portsmouth Gas Centrifuge Enrichment Plant (GCEP). The importance of the gas centrifuge technology is that it uses less than five percent of the power required by the gaseous diffusion technology, and can therefore provide enrichment services at a significantly lower cost. Lowering production costs is essential if the United States is to remain competitive in the world market for enrichment services.

The Advanced Isotope Separation program has the goal of developing the Atomic Vapor Laser Isotope Separation process to the point where it can provide for the production of enriched uranium at significantly reduced cost. The FY 1984 budget request will initiate evaluation of engineering issues and system reliability, for possible future construction and operation of a Development/Demonstration Module in the late 1980's.

## STRATEGIC PETROLEUM RESERVE

The budget request for the Strategic Petroleum Reserve (SPR) is $742 million. This figure is well below the FY 1983 appropriation. The off-budget request for oil acquisition and transportation is $583 million. In FY 1983, our currently planned average daily fill rate will be 220,000 barrels per day. During FY 1984, the fill rate would be 145,000 barrels per day. The budget will permit a cumulative fill of 410 million barrels by the end of FY 1984. We are requesting $142 million for facilities development, to be divided between Phase II and non-phase-specific activities. Phase II, the expansion of three existing storage sites, will add 290 million barrels of storage capacity. Non-phase specific activities include ongoing operations and maintenance, systems reliability improvements and safety upgrading.

Phase III development at Bryan Mound and West Hackberry will continue from funding in FY 1983 to be made available in FY 1984. The FY 1983 budget will continue Big Hill site acquisition activities and completion of detailed design work. However, a decision on whether to proceed with construction activities at the Big Hill site will be reanalyzed within the context of the FY 1985 budget.

The SPR budget request reflects in the first instance the Administration's efforts to trim the federal budget wherever it is prudent to do so. I am aware of the bipartisan Congressional commitment—which is shared fully by the Administration—to enhancement of national security and protection against petroleum supply emergencies by, among other measures, providing for rapid fill of the Strategic Petroleum Reserve. I need not and will not take a back seat to anybody in my resolve that Federal energy policies and programs be designed and administered to contribute optimally to our Nation's economic and strategic security.

Overall budget considerations have compelled the Administration to propose reductions in a variety of programs, including but not limited to SPR, which we wish we could have avoided. Although outlays for SPR petroleum purchases are off-budget, they affect Federal borrowing and economic activity the same as on-budget spending.

If the Department were to fill at a 220,000 barrel per day rate during FY 1984, total program costs would be increased by more than the direct additional outlay of some $900 million for oil purchases and transportation. Interim storage, at an estimated cost ranging from over $1 to $5 per barrel per year, would be required for approximately 10 million barrels. Moreover, purchases of an additional 27.4 million barrels of oil in FY 1984 (representing the difference between fill rates of 220,000 and 145,000 barrels per day) would have to be made with borrowed money. One cannot ignore the cost of borrowing those funds. Based on current forecasts, purchases of oil made today with borrowed money would require outlays in excess of those required to purchase the same amount of oil in FY 1985.

The budget request for FY 1984 also takes into account the dramatically improved world oil market. When plans for the SPR were developed five years ago, they were based on projected 1985 imports of as much as 11 million barrels per day. Current Department forecasts project United States imports of only about 6 million barrels per day in 1985, up to a 45 percent reduction, and actual net imports in 1982 were at a level of only 4.2 million barrels per day. Arab OPEC imports to this country have declined from a 1979 peak of 3.2 million barrels per day to about 900,000 barrels per day in 1982, and now constitute only 21 percent of our total net imports. Unlike the situations in 1973 and 1979, there now is substantial excess production capacity in the free world, including OPEC nations. These factors tend to reduce both the impacts of unexpected supply disruptions and the incentive to use oil embargoes as weapons in international politics.

Moreover, the United States and its allies are much better prepared today to deal effectively with disruptions in oil supplies. The SPR now holds 300 million barrels, nearly three times as much oil as there was at the beginning of this Administration. Counterproductive controls have been abolished, so that any subsequent disruption would not be accompanied by the market distortions we experienced in the past.

The selection of any given fill rate represents a judgment as to what is prudent in the circumstances. Measured in terms of the approximately 6 million barrels per day of imports projected by DOE for 1985, the fill rate contemplated by the Energy Emergency Preparedness Act without regard to availability of funds would provide 83 days of coverage against such imports. Under the presently proposed fill rates, there would be 74 days of such coverage—a difference of only 9 days.

That difference is not so great, in our view, to warrant walking away from the substantial budget savings sought by today's proposal. Moreover, we, in conjunction with our sister agencies, intend to monitor the world oil situation—in terms of both the likelihood of future supply disruptions and probable future price levels—so that we may take advantage of future opportunities to acquire oil at potentially lower costs and, when appropriate, rapidly fill available SPR capacity.

The SPR budget request represents a balanced approach of reducing present costs of the program in light of overall budget considerations while, at the same time, continuing at a reasonable rate the growing capability of SPR to provide economic and strategic security to the Nation.

## DEFENSE ACTIVITIES

The budget request for Defense Activities is $6.8 billion, an increase of $1.1 billion over FY 1983. The budget is higher in every major category, with the major increases occurring in Weapons Activities, Materials Production, Defense Waste, and Naval Reactors.

Within Weapons Activities, the Research, Development and Testing program is up $195 million. This program generates new concepts for nuclear weapons and applies them to Department of Defense requirements. Another major program element, Production and Surveillance, is up $436 million over FY 1983 because of increased Department of Defense requirements for production of new nuclear weapons for the stockpile, improvement of selected older weapons in the stockpile, and surveillance and maintenance of existing weapons, as approved by the President in the Nuclear Weapons Stockpile Memorandum.

The weapons in production include the B61-3 Bomb, B61-4 Bomb, W76 TRIDENT Warhead, W79 8-inch Artillery Fired Atomic Projectile Warhead, W80-0 Sea Launched Cruise Missile Warhead, W80-1 Air Launched Cruise Missile Warhead, B-83 Bomb, W84 Ground Launched Cruise Missile Warhead and the W85 Pershing II Warhead. Also included are pre-delivery production efforts which will be conducted in FY 1984 for the W81 Standard Missile 2, W82 155mm Artillery Fired Atomic Projectile, W87 MX, and Sentry Warheads. Funding is also requested to maintain and rehabilitate facilities throughout the weapons production complex.

The Materials Production program, which supports the production of nuclear materials for national security programs, is up $283 million over FY 1983. The FY 1984 budget request provides funds for the first full year of operation of the L Reactor at Savannah River after completion in FY 1983 of upgrade activities started in FY 1981. Also, the budget request provides funds to complete reactivation and begin operation of the PUREX processing plant at Richland and to continue the Facilities Restoration program.

The Defense Waste and Byproducts Management program will begin construction of the Defense Waste Processing Facility at Savannah River, and will continue the program of transferring high-level waste from single-shell tanks at Savannah River and Hanford into new double-shell tanks. Also, efforts will continue on the preparation of transuranic wastes at various Department of Energy sites for shipment to the Waste Isolation Pilot Plant under construction near Carlsbad, New Mexico.

Mr. Chairman, I believe that the budget I have just summarized will permit us to perform those energy functions which are the unique responsibility of the Federal government. The Department of Energy is fully prepared to work with the Congress in the coming months to ensure that the course charted for us in FY 1984 represents a true consensus.

## Biography of Donald Paul Hodel

Donald Paul Hodel was sworn in as the fourth Secretary of the U.S. Department of Energy on December 27, 1982, by Chief Justice of the United States Warren E. Burger. President Reagan submitted the nomination of Mr. Hodel as Secretary of Energy to the Senate on November 15, 1982, and he was confirmed December 8, 1982. Mr. Hodel had been serving as Secretary of Energy under a recess appointment granted by the President on November 5, 1982.

Previously, Mr. Hodel had been serving as President Reagan's Under Secretary of the Interior since his confirmation by the Senate on February 5, 1981.

Mr. Hodel was born in Portland, Oregon in 1935. He received his Bachelor of Arts degree in Government from Harvard University in 1957 and his Doctor of Jurisprudence from the University of Oregon School of Law in 1960. He was student editor of the University of Oregon Law Review. A member of the Oregon State, Multnomah County, and Federal Bar Associations, Mr. Hodel was active in both corporate and private law practice in Portland for nine years.

He was appointed Deputy Administrator of the Bonneville Power Administration, which was then a part of the Interior Department, on October 1, 1969. He was appointed Administrator of the Bonneville Power Administration on December 1, 1972, and served on the Board of Trustees of the National Electric Reliability Council, the Board of Directors of the Electric Power Research Institute, the Executive Committee of the Western

Systems Coordinating Council, the Advisory Committee on Energy Facility Siting of the National Science Foundation, and the Board of Directors of the U.S. National Committee of the World Energy Conference.

An early leader in energy conservation programs in the Pacific Northwest, Mr. Hodel was the recipient, in March 1974, of the Interior Department's Outstanding Service Award (Gold Medal) for energy conservation activities. This award, conferred by Rogers C. B. Morton, then Secretary of the Interior, was the first such award conferred by any Federal agency for energy conservation.

Subsequently, he received the Distinguished Service Award from the Northwest Public Power Association in June 1975 and a Department of Commerce Save Energy Citation in October 1975.

In 1978, Mr. Hodel and his wife, Barbara, formed an energy consulting firm, Hodel Associates, Incorporated. He served for two years as President of the National Electric Reliability Council, a national organization of public, private and Federal electric systems dedicated to augmenting the reliability and adequacy of bulk power supply.

Mr. Hodel was a delegate in 1971 to the Eighth World Energy Conference (WEC) in Bucharest, Romania; the 1974 Ninth WEC in Detroit, Michigan; the 1977 Tenth WEC in Istanbul, Turkey; and the 1980 Eleventh WEC in Munich, Germany.

He was appointed to the Oregon Alternate Energy Development Commission by Governor Victor Atiyeh in 1979 and was elected to the Board of Directors of the U.S. National Committee of the World Energy Conference in February 1980.

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## BIOGRAPHY OF MARTHA O. HESSE

Martha O. Hesse was named Assistant Secretary for Management and Administration, U.S. Department of Energy (DOE) on November 10, 1982, pursuant to a recess appointment granted by President Reagan. She was confirmed for the position by the Senate on December 8, 1982.

In this position, Ms. Hesse serves as the Department's chief administrative officer, reporting directly to Secretary of Energy Donald Paul Hodel. Her duties, in addition to administrative and personnel management, include responsibility for contracting and procurement, and the financial and accounting activities of the Department.

Before joining DOE, Ms. Hesse was Executive Director of the President's Task Force on Management Reform, located in the Office of Management and Budget.

From February 1981 until her White House assignment, Ms. Hesse was Associate Deputy Secretary of Commerce, where she provided direct support to the Deputy Secretary in administering the overall operations of the Department and resolved major policy and program operation issues that arose between the bureaus of the Department.

A prominent Chicago businesswoman, Ms. Hesse in 1969 became director and chief operating officer of SEI Information Technology in Chicago. As cofounder of this professional services company, she held key management positions and directed the company's business activities.

From 1966 to 1969, Ms. Hesse was Director of the Data Management Division, American Hospital Association. From 1964 to 1966, she was a research analyst with the Blue Shield Association.

Ms. Hesse, 40, attended the University of Iowa majoring in psychology, and received an MBA (The Executive Program) from the University of Chicago in 1979. She currently serves as Vice Chairman of the Dean's Fund at the University of Chicago's Graduate School of Business.

### INTRODUCTION OF ASSOCIATES

Secretary HODEL. Thank you, Mr. Chairman. I would like to introduce our Assistant Secretary for Management and Administration, Ms. Martha Hesse, who is with me; also, Betty Smedley, who is the Acting Deputy Controller for the Department. I may very well find it important to rely upon them for advice on some of the questions you may ask.

Senator McCLURE. Would you like to come forward and take seats at the table? I want him to get his answers as straight and as quick as possible.

### SUMMARY STATEMENT

Secretary HODEL. I appreciate that, Mr. Chairman. As you say, my prepared statement is a substantial summary of our entire budget proposal.

In very brief terms we have in the nondefense portion of the budget a number of significant items in the area of energy research and development, particularly with regard to conservation, renewables, and fossil.

We have increased our request this year over the request of the Department of last year, but the total amount requested still is below the amount appropriated by Congress for fiscal year 1983.

I frequently try to make the point, Mr. Chairman, that at least it indicates we have been attempting to move in the right direction as far as the Congress is concerned, and we continue to seek the advice and counsel of Congress with regard to the levels of funding in those programs about which I know there is considerable interest and concern.

In the area of general science, we have increased our request over last year's request by some $83 million, which represents about a 15-percent increase in order to initiate work on several important projects.

I think it's significant that in a time of very severe budget restrictions this administration has seen clear to increase the request for the activities in the general science and basic energy science areas.

We believe that these are important functions of the Federal Government; they are functions that should continue and they are ones which we seek to enhance through the budget process.

We have a problem, as the chairman is well aware, with regard to the strategic petroleum reserve at the funding levels that we have requested. I've had the opportunity to testify before you, Mr. Chairman, in some detail previously regarding the funding levels which we have proposed there.

With regard to the Clinch River breeder reactor program, we have $270 million in this budget, which is a portion of the $848 million nuclear energy request. I have today, actually just a few minutes ago, transmitted to the Congress a report prepared by the special task force which we set up among the utilities and manufacturing enterprises concerned with the Clinch River breeder reactor in an effort to identify what kinds of funding alternatives there might be to continuing Federal funding at the levels previously obtainable.

Mr. Chairman, I think that one of the areas we need to continue to press is that of conservation and renewable energy.

As we see decreases in oil prices, I think it's going to become yet more difficult and yet more important for the Department to push for continued emphasis on conservation and renewable resources. Because they, in the long run, will provide substantial opportunities for this country as alternatives to the high cost of and unwelcome extended commitment to imports.

I think with that, Mr. Chairman, I should stop my opening statement and be prepared to answer such questions as you may wish to pursue.

### CRBR TASK FORCE REPORT

Senator McClure. Thank you very much, Mr. Secretary. You mentioned that the Clinch River breeder reactor report has been released—as a matter of fact, just a few minutes ago.

I have had the opportunity to look at that report. It outlines some alternatives. Are you optimistic about those alternatives?

Secretary Hodel. Yes, sir. Mr. Chairman, I was impressed with a number of things in that report.

First of all, it evidences a commitment on the part of the electric utilities to complete their initial and direct financial commitment; and second, I think it shows that they are willing to push forward in an effort to keep that project alive.

They have come forward, as the report will indicate, with a suggested manner of financing a significant amount of the remaining dollars required for that project, though not necessarily a majority of them.

Senator McClure. When you say "significant"——

Secretary Hodel. About $1 billion.

Senator McClure. About $1 billion. Even in the Federal budget, that's significant.

Secretary Hodel. Yes; it is.

Senator McClure. As we have had the opportunity to discuss before, I think increased participation by the private sector participants in that project is going to be essential, if indeed this Congress is going to continue the project.

I regret to say that, because I think even in the absence of that contribution, it still would be worthwhile Federal investment.

But I think that is perhaps a minority view up here in the Congress these days. So I have reconciled myself to the fact that it would require a significant infusion of additional capital from the private sector. Perhaps more important than the dollars is the commitment that comes with it, the evaluation by the private sector that it's worth doing.

There are some that have fallen before that constant criticism of the project, saying that it's no longer necessary, it's the wrong design, wrong plan, wrong time or something. And, therefore, we ought to abandon the project.

I gather, the impression from this report and from your remarks, that the private sector is prepared to put additional money into it in substantial quantities?

Secretary HODEL. Mr. Chairman, I think the conclusion that we've reached is similar to your conclusion—that the project is a significant step in the effort to develop an appropriate breeder technology.

We know that this effort is going on worldwide, and we are, in fact, continuing to work with foreign countries that are engaged in breeder technology development for follow-on advanced breeder activities.

The consensus that I believe exists among those who work within that area is that the Clinch River breeder reactor, through numerous design changes over the years, has been maintained as a modern up-to-date research and development activity, and that the completion of the project will significantly establish the feasibility of some of the design aspects. That is precisely what was intended in the project.

I've had visitors from foreign nations urge that we not lose track of the project because they see it as an important step in their technology as well.

I think that it is a good sign. It is my belief that it is appropriate for us to try to work with the Congress and with this committee in attempting to devise the best approach for taking the remaining required actions.

That is why I did not hold up the report, which I received late yesterday; I transmitted it directly and immediately to the Congress in the hope we would follow on now promptly with discussions about how best to proceed with a specific proposal.

### BALANCE AMONG ENERGY RESOURCES

Senator MCCLURE. Mr. Secretary, you have stated in your written testimony that you believe that over-reliance on any one energy source is unwise and that balance among energy resources is needed.

Mr. Secretary, you know from our long association that I wholeheartedly share that view, yet it appears there's a considerable discrepancy over what you may consider a balanced approach as compared to what this committee has in the past, and in particular in the last 2 previous fiscal years, considered to be a balanced approach.

Pointing specifically to the fossil energy and energy conservation accounts, although you have proposed greater amounts for 1984 than were proposed for 1983, the 1984 request still represents reductions of 63.3 and 78.4 percent respectively from the fiscal year 1983 program level for these accounts.

With the possible exception of the entire on-budget and off-budget strategic petroleum reserve activity, I know of no other area of DOE's budget that has sustained such a reduction.

Considering that these programs have already taken a substantial, and I should add in many cases a necessary reduction from pre-1981 levels, don't you feel that they may, in fact, now more accurately reflect that balance you and I both are striving for?

Secretary HODEL. When you say "now," Mr. Chairman, are you referring to our proposed levels, or the level the committee has provided——

Senator MCCLURE. The levels the committee has provided in the last 2 fiscal years.

Secretary HODEL. Mr. Chairman, if I could deal with those specifically.

First, conservation. The conservation account includes $233 million for State and local grant programs, including the weatherization program. It has been the position of the administration, which I support, that the DOE weatherization program ought to be combined with the low-income home energy assistance program of the Department of Health and Human Services, which does have provision for a weatherization component. This action would preclude two systems in parallel sending funds out to be used for weatherization.

We ought to have a single system—we ought to have a single set of inspectors and the like.

The weakness in that proposal, Mr. Chairman, is that I cannot show you where the funding for that program was taken from our budget and transferred to Health and Human Services. So, the argument breaks down a bit there, but in principle, certainly it ought to be through the HHS low-income home energy assistance program.

There was also approximately $177 million appropriated by the Congress in the current fiscal year for conservation-related R&D activities.

We have come up with a proposal for about $101 million, which is significantly less, but at least I hope is in the ball park. That's 4½ times the amount which we proposed last year.

It's my hope we will be able to discuss with the committee, as we have been doing, some of the priorities which we have established, some of the activities that we think have reached the stage where they no longer need continued Federal funding.

In the fossil area, a number of projects have been completed, and we have increased the budget request over what we requested last year.

There are some projects such as magnetohydrodynamics, Mr. Chairman, which we again propose not to fund. I know there are members of this committee who feel very strongly that that work should continue and we of course are prepared to discuss that.

So my hope is that we are moving in the right direction, and I think that if we are successful in reducing the amount of Federal support of the breeder reactor program, we would see a reduction in the nuclear energy account for R&D, corresponding increases in conservation and renewables, and at least a beginning in putting some dollar balance in those relative accounts.

### SPECIAL COUNSEL RECOMMENDATIONS REGARDING DR. SAVITZ

Senator McClure. Senator Leahy, I think you indicated you had a question to ask Secretary Hodel before we interrupt to take further congressional testimony.

Senator Leahy. I might be very brief if my colleagues don't mind.

Mr. Secretary, since I have been in the Senate, my principal interest in energy matters has been the promotion of energy conservation. It is inexpensive and very effective. It is usually an environmentally acceptable alternative. It is available immediately.

In the area of our civil servants, I believe that it is essential that there be a mechanism through which the concerns of civil servants about governmental misdeeds or prohibited personnel practices can be evaluated. On the Hill we hear claims one day, counterclaims the next day, and back and forth.

So I worked hard during the consideration of recent civil service reform legislation in my first term as Senator to establish an Office of Special Counsel. Both of these concerns come together in your Department.

Special Counsel recently concluded that the Department of Energy probably violated Federal law when it dismissed Dr. Maxine Savitz. The Special Counsel, as I understand it, recommended two things: to reinstate her in the same or similar position and that the Department pay her attorney's fees.

Have you decided to follow the recommendation of the Special Counsel?

Secretary Hodel. Senator, that matter of course occurred prior to my arrival at the Department.

Senator Leahy. I hasten to add it did.

Secretary Hodel. When I arrived I looked into the matter, and I indicated, as I did on a number of occasions, in hearings when the question was raised of what my intentions would be in regard to that matter, that I would look to the process to determine whether or not there had been violations or misconduct under the civil service laws, and if there were a determination by the appropriate body that that had in fact occurred, I would move as promptly as I was permitted to remedy it.

I read in the papers that the Special Counsel had written me a letter making a recommendation just last week—I believe we received that letter yesterday. I have not had a chance to review it, and it is my understanding further that the Director of the Office of Personnel Management has stated publicly that he will recommend that I not take this rather extraordinary recommendation from the Special Counsel to reinstate Dr. Savitz. I have not seen that other than in print at this stage.

Senator Leahy. Doesn't the law say that the Special Counsel may require the head of the agency, yourself, to conduct an investigation and the head of the agency must personally review the report? Is Mr.

Devine coming into this or somebody else? Isn't it under the law, ultimately, your responsibility, not OPM's or anybody else's?

Secretary HODEL. Senator, if that is your understanding, I wouldn't for a moment dispute it. I do not know. I have turned that letter over to the appropriate officer within the Department for review. The letter has just been received, and we will review it. If the Director of the Office of Personnel Management has comments to make on it, I certainly will also pay attention to those. We will comply with the law. I have said that from the very beginning.

It is important in this particular case to know that the Special Counsel previously petitioned the Merit Systems Protection Board, and they chose not to provide direction to me with regard to that petition. I took that as an indication from them that they did not think at that time that there was a substantive violation which really would justify my going in and turning over the decision made by officers within the Department.

Senator LEAHY. I would ask you and your counsel to check sections 1206 (b) and (c) of the act, because as I understand it, Special Counsel may require the head of the agency to conduct an investigation. It speaks that the head of the agency personally review the request.

I mention that because I know we worked on this back when it was first drawn together. We wanted to make sure that at some point ultimately one person was held responsible for the final decision; it isn't kind of shifted off to whether it is OPM or OMB or somewhere else, but one person.

I think you are aware perhaps of the questions at the time of your confirmation hearings and others, that many of us in the Congress on both sides of the aisle are watching this case and watching how you handle it, not suggesting what you should or should not do but watching how you handle it, watching the procedures involved to make sure what the direction of the Department is going to be.

The allegations of course were made that you have a very well-qualified person—whom I have never met nor have I reviewed her background—but the allegations that you have a very well-qualified person who was being shunted aside. If that was the case, then it raises the worst ideas of the spoils system.

On the other hand, if you have somebody who properly should have been removed, then that should be known. But ultimately, it is your final responsibility, and a lot of us would like to know just how that is going to be carried out.

Secretary HODEL. Senator, I think it is important for me to say, in light of your comments, that there are allegations on the other side.

Senator LEAHY. I mentioned that.

Secretary HODEL. The Assistant Secretary made a decision based on all proper considerations. That is the decision, as far as I can tell at the present time, that has been made by the Merit Systems Protection Board. The body that was set up initially to evaluate this received previous allegations from the Special Counsel and concluded that they would not restrain the action from taking place.

I would share your concern if I thought this was some kind of a spoils system activity, but at the present time I do not have a record which would indicate that. Based upon the review of the letter from the Special Counsel, we will act accordingly. I have met Dr. Savitz on one occasion at a reception, where we exchanged a few very pleasant words. I have had no other personal knowledge of her until my confirmation proceeding, when I heard a fair amount about her.

It would be my desire to see to it that when we are finished, both you and I and others can say the system has functioned appropriately, because that is the question here. And when we are done, I think we have to have a process which does protect the system, because it is in that system that we find substantive protection for the individuals who are employed by the Federal Government.

I think that is extremely important, and I do support it.

Senator LEAHY. Thank you, Mr. Chairman.

# CONGRESSIONAL WITNESSES

**STATEMENTS OF:**

**HON. RUDY BOSCHWITZ, U.S. SENATOR FROM MINNESOTA**
**HON. DAVID DURENBERGER, U.S. SENATOR FROM MINNESOTA**

### PREPARED STATEMENTS

Senator McClure. Mr. Secretary, several of our colleagues who have asked to make a statement have arrived. I think you were alerted to that possibility earlier.

I wonder if you might allow us to interrupt for just a moment to hear from them. Senator Boschwitz, I think, was the first to arrive, and I think Senator Durenberger would wish to be associated with those comments. So if those two who have arrived will take their chairs.

I would say to you gentlemen that your complete statements will be put into the record in full. You are invited to summarize if you can do so.

[The statements follow:]

## Statement of Senator Rudy Boschwitz

Mr. Chairman, first, I want to express my appreciation for the assistance we have received to date from this committee. This is the fifth time Dave Durenberger and I have appeared before the Interior Appropriations Subcommittee regarding funding authorized by the Boundary Waters Canoe Area Wilderness Act. The favorable response of your committee has helped initiate needed forestry programs and restored confidence of the people of northeastern Minnesota in their government.

On October 1, 1978 Congress passed the Boundary Waters Canoe Area Wilderness Act. The Act designated 1,075,500 acres as wilderness. Mining and mineral exploration were prohibited within the wilderness area. All timber sales contracts within the wilderness area were terminated within one year and all future logging was prohibited. Snowmobiling was prohibited except along two paths to Canada. Motorboating is to be reduced by 50% by 1983 and is generally prohibited except in specified areas.

The Boundary Waters Canoe Area Wilderness Act required concessions from many sectors in northeastern Minnesota. One of the critical elements of the Act was that compensation

AND ASSISTANCE BE PROVIDED TO THE RESORT, RECREATION AND TIMBER INTERESTS. WITHOUT THE SPECIFIC FINANCIAL COMMITMENTS WHICH WERE OUTLINED IN THE ACT, IT IS DOUBTFUL THIS ACT WOULD HAVE BECOME LAW.

UNFORTUNATELY, IN THE FY 1984 BUDGET YOU ARE CONSIDERING, THE ADMINISTRATION HAS NOT PROVIDED THE NECESSARY FUNDS FOR THE FOREST SERVICE TO MEET ITS OBLIGATION MANDATED IN SECTIONS 6(C)(2) AND 5(A).

ALL OF THOSE INVOLVED WITH THIS CONTROVERSIAL LEGISLATION ACKNOWLEDGED THE NEGATIVE IMPACT OF ITS PASSAGE ON THE RESORT INDUSTRY WITHIN THE BOUNDARIES OF THE WILDERNESS AREA. THEREFORE, SECTION 5(A) OF THE ACT CLEARLY STATES THAT THE FEDERAL GOVERNMENT IS REQUIRED TO PURCHASE CERTAIN RESORTS WITHIN THE BOUNDARIES OF THE WILDERNESS AREA. THE SPECIFIC LANGUAGE IN SECTION 5(A) STATES:

> "THE OWNER OF A RESORT IN COMMERCIAL OPERATION DURING 1975, 1976, OR 1977 AND LOCATED ON LAND REPARIAN TO ANY LAKES LISTED BELOW MAY REQUIRE PURCHASE OF THAT RESORT, INCLUDING LAND AND HOLDINGS APPURTENANT THERETO, BY WRITTEN NOTICE TO THE SECRETARY PRIOR TO SEPTEMBER 30, 1985."

IN FY80, FY81, AND FY83 THE FUNDING LEVEL TO MEET THE REQUIREMENT WAS $3 MILLION EACH YEAR, IN FY82 IT WAS $2.4 MILLION. THE FUNDING IS FROM THE LAND AND WATER CONSERVATION FUND.

MR. CHAIRMAN, THE FEDERAL GOVERNMENT HAS A LEGAL OBLIGATION AND RESPONSIBILITY TO MEET THESE PURCHASE COMMITMENTS. IN REACHING THE AGREEMENT, THE PEOPLE OF NORTHERN MINNESOTA GAVE UP RIGHTS IN EXCHANGE FOR THE FEDERAL GOVERNMENT'S PROMISE OF COMPENSATION. MINNESOTANS HAVE LIVED UP TO THEIR END OF THE BARGAIN, NOW CONGRESS SHOULD DO THE SAME. THEREFORE, WE SPECIFICALLY REQUEST THE COMMITTEE TO DESIGNATE AND INDICATE IN THE COMMITTEE REPORT LANGUAGE THAT $3 MILLION BE APPROPRIATED IN THE PRESIDENT'S LAND AND WATER CONSERVATION FUND BUDGET TO MEET THE REQUIREMENTS OF SECTION 5(A) OF P.L. 95-495.

MR. CHAIRMAN, WE FURTHER REQUEST THAT THE COMMITTEE RESTORE THE $3 MILLION AUTHORIZED IN SECTION 6(c)(2) OF P.L. 95-495 FOR A MATCHING FOREST GRANT TO THE STATE OF MINNESOTA.

THIS AUTHORIZATION WAS PROVIDED TO OFFSET, AS MUCH AS POSSIBLE, THE REDUCTION IN TIMBER HARVEST RESULTING IN THE WILDERNESS CLASSIFICATION OF THE BWCA. AND, TO DATE, THIS PROGRAM HAS BEEN SUCCESSFUL. NOW IN THE FOURTH YEAR OF THE AUTHORIZED ELEVEN YEAR PROGRAM A SUBSTANTIAL BEGINNING HAS

BEEN MADE ON AN INTENSIFIED FOREST MANAGEMENT PROGRAM AT THE STATE AND LOCAL LEVEL.

IN 1978 THE CONGRESS PROVIDED FOR THE LOSS OF TIMBER HARVEST THAT WOULD TAKE PLACE BY DECLARING CERTAIN STATE LANDS WILDERNESS. IF, AT THIS TIME, THE FEDERAL GOVERNMENT DID NOT FULFILL ITS OBLIGATION IT WOULD BE A VIOLATION OF ITS COMMITMENT.

MR. CHAIRMAN, IN CONCLUSION, WE WOULD LIKE TO COMMEND AND THANK YOU FOR YOUR CONTINUED SUPPORT OF THIS FUNDAMENTAL CONCEPT THAT THE FEDERAL GOVERNMENT HONOR ITS LEGAL COMMITMENT TO ITS CITIZENS. WE URGE THE COMMITTEE TO SUPPORT THE ADMINISTRATION'S BUDGET REQUEST FOR THE BWCA WITH THE ADDITION OF $3 MILLION FOR THE RESORT PURCHASE PROGRAM AND $3 MILLION FOR THE STATE FORESTRY GRANT PROGRAM.

THANK YOU AGAIN FOR THIS OPPORTUNITY TO PRESENT OUR VIEWS ON AN ISSUE OF DEEP CONCERN TO US AND THE PEOPLE WE REPRESENT.

## STATEMENT OF SENATORS DAVE DURENBERGER AND RUDY BOSCHWITZ

There are several programs under the jurisdiction of the Interior and Related Agencies Subcommittee of Appropriations that have not been included in the Administration's FY 84 budget request which we would like to bring to the Committee's attention and urge your favorable consideration.

### The Boundary Waters Canoe Area Wilderness Act, P.L. 95-495

Mr. Chairman, this is the fifth year we have appeared before the Committee regarding funding authorized under the Boundary Waters Canoe Wilderness Act, P.L. 95-495. We want to express our sincere thanks to the Chairman and the Committee for the thoughtful and favorable consideration of our requests for the required funding under the BWCAWA. We are pleased to report that the funds appropriated have initiated the forestry programs called for under the act and have done much to restore the confidence of the people of Northeastern Minnesota in the Federal government -- the contract entered into through enactment of P.L. 95-495 has been honored. For that the Committee deserves much of the credit.

The response of the people and the businesses of the region has been excellent. There has been substantial work on the intensified forest management program at both the federal and state level.

The following amounts are included in the Administration's 1983 budget request. These levels of funding for the act have the support of the Minnesota Congressional delegation.

### P.L. 95-495: BWCA Funding

| | 1984 (thousand $) |
|---|---|
| Research | 325 |
| National Forest Systems | |
| . Reforestation/Timber Stand Improvement | 997 |
| . Recreation | 372 |
| . Road Maintenance | 824 |
| . Land Line Location | 61 |
| . Wildlife | 9 |
| . Soil and Water | 27 |
| Construction | |
| . Campgounds/Trails | 206 |
| . Road Construction | 2,769 |
| TOTAL | 5,590 |

Mr. Chairman, we are deeply concerned that the State Grant Program Section 6(c)(2) has not been included in the President's budget request, nor funds for the Resort Buyout Section 5(a) of the Act. These funds are vitally important to the State of Minnesota and the affected resort owners.

We are requesting that the Committee include the $3 million authorized for the State Grant Program and $3 million required under Section 5(a) the Resort Buyout provision.

With the $5.590 million included in the President's budget for P.L. 95-495 and the additonal $6 million we are requesting there would be a total of $11,590 million appropriated for P.L. 95-495 in Fy 84.

Because of the importance of the State Grant and Resort Buyout Program, we want to discuss the basis for our request in detail.

### State Forestry Grant Program - Section 6(c)(2), P.L. 95-495

When Congress passed P.L. 95-495, the 1978 BWCA Act, it recognized the Federal obligation to compensate the State of Minnesota for condemning 69,480 acres of state land which are now included in the Boundary Waters Canoe Area Wilderness. The expressed purpose of compensation was to "expedite the intensification of resource management...on...lands in Minnesota, outside the wilderness, to offset, to the extent feasible, the reduction in the programmed allowable timber harvest resulting from reclassification of the Boundary Waters Area." The provisions of the Act represent a compromise in which the Federal government agreed to finance $33 million and the State of Minnesota agreed to underwirte the balance of the $56 million cost of the cooperative forestry program designed to offset the effects of wilderness withdrawls on non-federal lands in Minnesota. To arbitrarily eliminate financing for the program at this time would be unjust, unwarranted, and directly opposit to both Congressional intent and the Administration's philosophy of making budget investments in revenue generating programs.

We are pleased to report that funds appropriated in recent years for the State Forestry Grant Program authorized by Section 6(c)(2) have made possible a substantial beginning on an intensified forest management program at the state and local level. We are now in the fourth year of the authorized eleven-year program to offset the impact of the federal wilderness designation on the people and economy of Minnesota.

The Minnesota Department of Natural Resources estimates potential benefit from the $33 million dollar Federal investment in the State Grant Program to be $135 million over the eleven-year life of the program. That amounts to a benefit-to-cost ratio 4.1 to 1, which indicates that the program is efficiently augmenting the wood fiber supply which was constrained by the 1978 BWCA Act. While the program does not generate direct receipts to the Federal treasury, the State of Minnesota estimates that $44 million dollars in tax revenues will be generated as a direct result of the economic activity stimulated by the forestry intensification program in Northeastern Minnesota. Economic stimulation is critically important at this time because Northeastern Minnesota has been suffering from unemployment rates twice the national average.

Loss of the BWCAW forestry intensification program would exacerbate the bleak economic conditions in Northeastern Minnesota. Based on the commitment of Federal BWCAW funds, the Minnesota Department of Natural Resources implemented a plan for maintaining its allowable timber harvest at pre-wilderness levels, even though 69,840 acres of state timberlands have been placed in wilderness status. Technically speaking, the State is overcutting its timberlands based on the assurance that Federal reforestation funds will continue to be available. Without this appropriation, the state would be legally bound by statute (M.S. 89.002, subdivision 2(b)) to reduce its level of harvesting to an acerage equal to that which can be reforested with other funds.

To reduce the State's allowable harvest would result in an estimated loss of $14 million to the Minnesota economy in 1984. The Minnesota Department of Natural Resources estimates that a loss of this magnitude would have an immediate, adverse impact on 1,475 citizens, and could eliminate up to 400 private sector jobs. In addition, losses of this magnitude would accumulate through 1990, totaling over $100 million in lost economic activity and as many as 14,200 people being adversely effected. (A copy of the BWCA Forestry Intensification Program: A Preliminary Economic Evaluation, October, 1979, is included for the Committee's review and information). Failure to reinstate the appropriation for the State Grant Program authorized by Section 6(c)(2) of P.L. 95-495 would have a devastating effect on the Minnesota economy.

In summary, the State Grant Program authorized by P.L. 95-495 is a commitment Congress made to the people of Minnesota. It will more than pay for itself in terms of increased forest productivity. The State of Minnesota has created an efficient forestry program, and is carrying out its obligations under P.L. 95-495, including a planned matching appropriation for FY '84 and FY '85. (A copy of the Revised Work Plan for the BWCAW Forestry Intensification Program, dated December 1, 1982 is included for the Committee's review and information.) Congress and the State have acted responsibly to minimize the forestry related impacts of the Boundary Waters Canoe Area Wilderness expansion. The early, unilateral withdrawl of federal funding for the BWCA State Grant Program would be a violation of the commitment Congress made to the people of Minnesota in 1978. We must ensure that the Federal government continues to meet its obligations under the Boundary Waters Canoe Area Wildreness Act of 1978 by restoring the $3 million authorized for the State Forestry Grant Program in FY 1984.

## Buyout Program Section 5(a), P.L. 95-495

Mr. Chairman, Section 5(a) of P.L. 95-495 clearly states that the Federal government is required to buy a resort riparian to particular lakes within the boundaries of the Boundary Water Canoe Area Wilderness if the resort owner requests to sell.

Section 5(a) states: "The owner of a resort commercial operation during 1975, 1976, or 1977 and located on land riparian to any of the lakes listed below may require purchase of that resort, including land and holdings appurtent thereto, by written notice to the Secretary prior to September 30, 1985." Section 5(a) is funded through the Land and Water Conservation Fund ( LWCF). In Fiscal Year 1983 these funds authorized in Section 5(a) will be appropriated as follows:

| | |
|---|---|
| Resort options on hand (3) (as of March 7, 1983) | $872,240 |
| Offers Outstanding (3) | 799,000 |
| Appraisals (2) | 800,000 |
| Anticipated purchase requests (3) | 493,000 |
| Excess court awards | 85,000 |
| TOTAL | $3,049,000 |

In the Fiscal Year 1984 budget the Administration has proposed $10.1 million for the Forest Service Land Acquisition program to provide for court awards, deficiencies and aquisition management. None of that amount is earmarked for the BWCAWA, even though when the 95th Congress passed the Act they authorized the purchase of resorts because of anticipated hardships that would result.

The projected need for Fiscal Year 1984 to meet the purchase requirements authorized in section 5(a) of P.L. 95-495 is $3 million. We feel strongly that the federal government has a legal obligation and responsibility to meet these purchase commitments.

Chairman McClure, we want to commend you for your continued support of this fundamental concept that the federal government honor its legal obligation to its citizens. We urge the committee to support the Administration's FY 1984 budget request under P.L. 95-495 of $5.59 million with the additional $3 million for the Resort Purchase Program (under section 5(a)) and $3 million for the State Forestry Grant Program (section 6 (c)(2)).

## Cooperative Forestry Assistance Act of 1978, P.L. 95-313

Mr. Chairman, in line with our concern about funding the State Grant Program under P.L. 95-495, we want to bring to the Committee's attention our deep concern about the 40% cut in the Administration's budget over FY 1983 funding for the Cooperative Forestry Assistance Act, P.L. 95-313.

As you know, Minnesota, Wisconsin, and Michigan are viewed as a large regional "wood basket." The forest products industry in response to increasing transportation costs, proximity to the Midwest and Northeast markets the emergence of the importance and utilization of the hard wood forests and greater technological flexibility, have invested over $721 million in the three state area since 1978, to a large extent in Minnesota. The support for the increasingly important upper midwest forest products industry is dependent on the cooperative forestry program in which real dollars have steadily been diminished until in FY 1984 no funds have been included for the state portion of the program.

When Congress passed P.L. 95-313, the Cooperative Forestry Assistance Act of 1978, it reaffirmed the national interest in non-Federal forest lands, and authorized Federal assistance programs to aid in their protection and management. The Forest Service, the National Forest Products Association and the National Association of State Foresters have stated that future demands for forest resource outputs are likely to be much above the levels that can be supplied by current management research and assistance programs. The nation is facing a future in which there will be increasing scarcity and intensifying competition for the output of goods and services from our forests. This situation will have serious adverse impacts on the economy, the environment, and the general quality of life for all our citizens.

Meeting the projected growth in demand for forest outputs will require a large expansion in the management programs of the State and private forestland owners. There are over 451 million acres of these state and private forestlands -- that's four times the amount of forestland administered by the Forest Service. As we noted, the fiscal year 1984 budget suggests that funding of the Cooperative Forestry Assistance program be only 40 percent of its 1983 level, and only 19 percent of its RPA (Forest and Range Land Renewable Resources Planning Act, P.L. 93-378) recommended level. The total funding for the Cooperative Forestry Assistance Program was only $62 million in Fiscal Year 1983, which is far below the actual need. Certainly, we support the President's leadership in calling for fiscal restraint. However, this does not permit the Federal government to ignore its legal commitment to the Cooperative Forestry program. We urge the Committee to continue its support of the fundamental program and fund State and Private Forestry at the $62 million level in FY 1984.

## Interior Appropriations

Mr. Chairman, it is our strong conviction that when the Congress takes action to set aside areas of the nation where the natural resources are so spectacular, so unique that their preservation is in the "national interest," the Congress has an obligation to fund the authorizing legislation.

As the Senator from Idaho, Mr. Chairman, we know you understand the necessity of insuring a responsible federal relationship with the states where federal land ownership and management is critical to the economic vitality of the state. Payments in lieu of taxes, designation of revenues from federal on-shore leases -- 50% to the state in which the lease activity takes place and 40% to the reclamation fund which is used for water projects in the 17 western states -- are examples of on-going programs which mitigate the impact on the west where the high percentage of federal land ownership was designated in the original state/federal agreement, even when part of the original agreement, the management of federal lands is an on-going matter of concern.

However, when state and private lands are acquired through Congressional action to form a National Park, Refuge or Historic Monument, the necessity of funding the provisions of the authorizing legislation is critical to the success of the federal program and the adjustment of the affected economic interests.

We believe this committee knows and has experienced the same concern we have regarding the issue of Congressional consistency and follow-through. We will discuss more specifically, funds needed in FY '84 for Interior park and fish and wildlife programs in Minnesota.

## Voyageurs National Park Appropriations, FY 1984

In the establishment of this magnificent northern border park, state land was transferred to the Park Service, forest lands removed from the tax rolls and private holdings acquired. The expectation of the surrounding communities and businesses was the federal government would develop a national park equal to the established parks in the system.

The bill providing for the establishment of VNP, P.L. 91-661 was enacted on January 8, 1971. The Act authorized $19,179,000 for development and allowed for, "...development, plus,...such amounts ...as may be justified, by reason of ordinary fluctuations in construction costs...".

In the eight years since Voyageurs was officially established on April 8, 1975, only slightly over $300,000 has been appropriated for development in the park.

In the seven county area surrounding Voyageurs Park the unemployment rate was 21.1% as of December 1982 according to a report of the Minnesota Department of Economic Security, "N.E. Minnesota Labor Market Review, February 1983". For the area of St. Louis County adjacent to the park the rate was 28.4%.

The failure to develop the park has contributed to the problems of the area. In recognition of the need to move the park forward, with the support of Senator Wallop, Chairman of the Subcommittee on Public Lands and Reserved Water, and yourself, Mr. Chairman, P.L. 97-405 was enacted on January 3, 1983. As you know, this made the necessary boundary changes which will permit construction of the Visitor's Center, authorize a tourism project to promote the park and other needed changes and additions to the law.

You can understand our frustration when funds for the construction of the Visitor's Center were removed from the FY '83 appropriations bill though originally included in the administration's FY '83 budget.

Money would have been possible under the current "jobs bill," for Vistor Center construction. The Park Service certified that construction could begin within "45 days" from enactment of the bill, necessary funds and authority are in place for acquisition of the Visitor Center site. Negotiations are underway and no delays are expected.

However, despite the high unemployment rate in the area and the crying need for development of Voyageurs Park, funds are not available because "no new construction" projects are authorized in the "jobs bill" as was the case in the FY 1983 appropriations bill. The practical effect of this policy is to divert the majority of the funds to the established parks while precluding needed construction in the developing parks. The effect on Voyageurs Park and surrounding area is devastating. It is no wonder that our distinguished colleague in the House, Congressman Oberstar called the FY '84 budget as presented to Congress a "disaster" for Voyageurs Park and called on the members of the Public Lands and National Parks Subcommittee of the House Interior Committee to provide "disaster relief."

We join the Congressman in our request for "disaster relief" for Voyageurs.

We urge that the following levels of funding be included by the Committee in the FY '84 appropriations bill for Voyageurs National Park:

- Construction of the Voyageurs Park Visitor Center:

  Phase I - $2.7 million
  Phase II - $2.5 million
  $5.2 million

- Tourism Project:

  Consistent with the increased emphasis on the development and promotion of the park to encourage park use by visitors from all parts of the world as well as to encourage and stimulate the tourism industry of Northern Minnesota. $250,000 was authorized under P.L. 97-405 for a tourism project. We strongly urge funding for this necessary project which has the full endorsement of the Governor of the State, the local communities and businesses and the Park Advisory organizations.

- Land Acquisition:

  Increased land acquisition authority was included in P.L. 97-405. $3.8 million was included in FY '83. We request that $4 million be appropriated in FY '84 and the balance of the $12 million increase appropriated in FY '85. As specifics become available, we will forward a more detailed request to the Subcommittee.

Summary of FY '84 Appropriations Requested for Voyageurs National Park:

| | |
|---|---|
| . Visitor Center Construction | $5.2 million |
| . Tourism Project | $250,000 |
| . Land Acquisition | $4.0 million |
| TOTAL | $9.450 million |

Grand Portage National Monument, P.L. 85-910

Established in 1958, Grand Portage National Monument reflected negotiations with the Grand Portage band of the Chippewa Tribe and the Minnesota Historical Society. The entire 790 acres of the monument was donated by the Tribe and the Historical Society to the United States with the understanding that the National Park Service would develop and manage the site consistent with the Grand Portage Master Plan approved on January 8, 1973. The Plan called for a Visitors' Center complex, park housing, a maintenance facility and other improvements which totaled $1 million in 1973. That figure has now been raised to an estimated $2.7 million.

On the basis of the Master Plan development projections the Chippewa Tribe developed a hotel complex within a short distance of the monument at a cost of $5 million, opened seven years ago, the hotel is run by the Grand Portage Chippewa Band.

However, no funds have been appropriated for the development of the monument in the ten years since the Master Plan was approved. What was originally seen as a cooperative/complementary enterprise between the Grand Portage Chippewa band, the Historical Society and the U.S. Government has not occurred. The Federal government, the Congress has not kept its part of the bargain.

$102,000 is needed in FY '84 for advance planning on which all future visitor development depends.

We urge the Committee's favorable consideration of that amount in the FY 1984 appropriations.

Fish/Wildlife Service Appropriations

Minnesota National Wildlife Refuge and Recreation Area, P.L. 94-466

The master plan for the Minnesota Valley National Wildlife Refuge and Recreation Area received final approval on August 30, 1982. Fiscal Year 1983 will be the first complete "official" year for the Refuge.

The Refuge master plan lists as its primary development proposal the Wildlife Interpretive/Education Center/The Refuge Visitors Center. Schematic designs have been completed for the Center. The estimated construction cost is about $6 million. $500,000 is needed in FY '84 for the advanced design phase of the Refuge Visitors Center. The Visitors Center will be located in Bloomington, Minnesota. Council members have identified the construction of the Visitors Center as key to stimulating commercial development of the Airport South District. Projections show the Visitors' Center will attract between 500,000-750,000 visits a year and will provide a major boost to the tourism industry in the Metropolitan area.

$1.6 million of land acquisition funds, presently authorized but recinded earlier, are needed to acquire property from individual land owners located in the refuge who want to sell their property.

Iron River National Fish Hatchery, Iron River, Wisconsin

Extinction of the lake trout stock in Lakes Michigan and Huron and a severe reduction of Lake Superior stock in the early 1950's have necessitated a strong federal program under the direction of the Department of Interior, Fish and Wildlife Service. Rehabilitation of the Upper Great Lakes Fishery from the devastation caused by sea lamprey depredation is of utmost importance to the sportsmen and economy of Minnesota and the other Great Lakes states.

Basic to the FWS rehabilitation and restoration program is restocking of the fish population so that sufficient fish density can be achieved and natural reproduction can occur. At this time the Lake Trout Fishery in the Great Lakes is entirely dependent on stocking.

The National Hatcheries at Jordan River, Michigan; Hiawatha Forest, Pendell Creek in the Upper Penninsula; and at Iron River, Wisconsin are necessary to the restocking program.

Although I support maintenance and rehabilitation of existing facilities, it is imperative that the hatchery at Iron River, Wisconsin be funded to permit completion of the construction phase of the project and move the facility into full production.

No construction funds have been requested for the Iron River National Fish Hatchery in FY 1984. Construction funds totaling $5,150,000 have been appropriated in prior years. $6.118 million is needed in FY '84 to complete construction at the Iron River National Fish Hatchery of Phase I and Phase II.

| | |
|---|---|
| Phase I, Schaste Creek Unit | $3.902 million |
| Phase II, Middle Creek Unit | $2.216 million |
| TOTAL | $6.118 million |

The Iron River National Fish Hatchery is an essential part of the plan to restore self-sustaining populations of lake trout in the Upper Great Lakes. Until Phase I and II are completed, annual production at Iron River National Fish Hatchery will be limited to 500,000 fingerlings raised in the hatchery building tanks. Design capacity of the completed hatchery is 3.5 million fingerlings annually. With full production at Iron River National Fish Hatchery, total FWS production of lake trout for the Upper Great Lakes will be 9.5 million fingerlings annually. Needs are estimated at 10-11 million.

The value of the Great Lakes Fishery is estimated to be $600 million annually when stocked at the 9.5 million fingerling level. The Iron River National Fish Hatchery will provide a third of the total fingerlings when completed. The estimate of a $200 million contribution by the Iron River Hatchery to the economy of the Great Lakes States can be made at a cost of $300,000-$400,000 annual operating costs.

Completion of this facility is supported by the Great Lakes Fishery Commission, all the Great Lakes States and the Canadian Government.

We urgently request the Subcommittee to appropriate $6.118 million in FY '84.

The philosophy underlying these requests is that the Federal government has an on-going obligation to the state and the citizens to honor the commitments made in the establishment of Federal programs.

We believe that the funds we requested are really investments which will bring dividends to both state and federal treasuries far into the future as well as an immediate economic stimulus to hard hit areas of the state and region.

We appreciate the opportunity to bring these concerns to your attention. Thank you for your consideration. We urge the Committee's favorable response.

## SUMMARY

Requests for funding under the
Interior and Related Agencies
Fiscal Year 1984 Appropriations Bill
by
Senator Dave Durenberger Senator Rudy Boschwitz

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. Boundary Waters Canoe Area Wilderness Act, P.L. 95-495

| | | |
|---|---|---|
| State Grant Programs (sec. 6) | | $3 million |
| Resort Buyout (sec. 5) | | $3 million |
| | TOTAL | $6 million |

. Voyaguers National Park, P.L. 91-661

| | | |
|---|---|---|
| Visitors' Center | | $5.2 million |
| Tourism Project | | $ 250,000 |
| Land Acquisition | | $4.0 million |
| | TOTAL | $9.450 million |

. Grand Portage National Monument, P.L. 85-910

| | | |
|---|---|---|
| Advance Planning for future development | | $ 102,000 |

. Minnesota Valley National Wildlife Refuge and Recreation Area, P.L. 94-466

| | | |
|---|---|---|
| Wildlife Interpretive/Education Center | | $ 500,000 |
| Land Acquisition | | $1.6 million |
| | TOTAL | $2.1 million |

. Iron River National Fish Hatchery, Iron River, Wisconsin

| | | |
|---|---|---|
| | TOTAL | $6.111 million |

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Senator McCLURE. Senator Boschwitz.

Senator BOSCHWITZ. Mr. Chairman, I want to express my appreciation to the committee for hearing us once again on the matter of appropriations for the Boundary Waters Canoe Area. This is the fifth time we have been here, fifth time.

It is amazing that one of the first things both Dave and I did when we arrived here in Washington was to appear before you for the purpose of obtaining the proper, not only authorization but appropriation, for the Boundary Waters Canoe Area.

As you know, in the law—if I can summarize my statement—in the law there are certain mandates, mandates that appropriations must be made so that certain things in the boundary waters can be achieved. I wasn't here, nor was Dave, at the time the Boundary Waters Canoe Act was before you and when that area of our State was made into wilderness, which would prevent, of course, any kind of activities—logging, snowmobiling, resorts, motorboating—that took place previously in that part of our State.

The result has been a good deal of economic dislocation, and we are here once again, Mr. Chairman, to request that your committee designate, appropriate the funds that are necessary to carry through the mandates of that act. And I respectfully request that the entirety of my statement and comments that we have yet to make will appear in the record.

We want to thank you for the cooperation you have given us in the past. This, as you may recall, is a very hot issue.

Senator McCLURE. Senator Boschwitz, I would have to reflect on the record, you have never let me forget that for a minute. [Laughter.]

Senator BOSCHWITZ. Indeed, because it just tore a certain part of our State apart. An area of the State that was very broadly used for commerce, for relaxation, for vacations has suddenly been taken away.

My statement refers to the specifics of the act, the specific parts of the act that do indeed require some appropriations, and we look forward to once again receiving those appropriations. We thank you for your cooperation that you have given us in the past.

Senator McCLURE. Thank you very much.

Senator Durenberger.

Senator DURENBERGER. Thank you, Mr. Chairman.

We planned on having this filmed, and we were going to replay it next year. I hope we don't sound like broken records and that you don't as you pick up our cause, as you do, between now and the appropriations process.

I am going to add on my comments that my colleague made on BWC, another important matter in the Voyageurs National Park. My involvement goes back to before ever being a Senator. I can't ever recall not being a Senator, period, but back in the late 1960's, when this project was initiated.

So I have had a deep personal involvement in this project for a long time. The original bill was to establish the park was passed in 1971. It authorized $19.2 million for development. Since then only $300,000 has been spent on development.

In recognition of the need to develop this park as a national resource, and a unique one I might say, it is the only major water basin national park in this country, and with your specific assistance, Mr. Chairman, and the assistance of Senator Wallop, we passed a second authorization bill just last year.

That legislation made the necessary boundary changes to allow construction of a visitors' center, authorized a tourism project to promote the park, and made other changes in the law. Everybody is ready to go on the project.

I would only make a point that the seven-county area that surrounds Voyageurs National Park has an unemployment rate exceeding 21 percent. It is up to 30 percent in some counties. And despite that high unemployment in the area, the longstanding commitment of the Government to develop the park, funds for this purpose couldn't be included in the emergency jobs bill that we are considering because of the focus in that bill on projects that are currently underway.

Voyageurs is considered a new construction project. So I am just here to ask you, as we do every year—and you have been so good to consider not the special nature of this project, but the fact that this is a commitment that we have all made jointly as individuals in our State, the State government, the National Government, to develop an important national resource and provide the funds that are necessary, I think.

We need $5.2 million to build a visitor center. I make just this comment about that, and that is because this is a unique water basin park you aren't going to get a lot of people into the park unless you have got some place for them to start into the park. That makes a visitor center here very different from a visitor center somewhere else that might be a sort of a convenient collection point but not an essential part of park development.

So, Mr. Chairman, I thank you for caring over the years, not just about the two Senators from Minnesota, but about these resource commitments that we as a Nation have committed ourselves to.

Senator BOSCHWITZ. Thank you, Mr. Chairman.

Senator MCCLURE. I want to thank both of you, and I will say on the record, as I have in the past, we will do the very best we can for this proposal.

As both of you know, we have in the past overcommitted ourselves and now find it difficult to live up to the commitments that were made. A great deal of it will depend, I suppose, on the economic performance in our economy and whether or not the budget constraints will remain as tight as they are.

I hear from a number of others who want land acquisitions, and I suspect our friend from California who will follow you to the table is going to talk about the commitment made for land acquisitions in his State.

Unfortunately, we were not careful enough to match our authorizations and our designations with our financial capacity to keep pace with the promises that were made. I feel badly about what we have done to people in the area of your State where we have not done what we should have done, and I think you are right in calling it to our attention.

Senator BOSCHWITZ. As you well know, Mr. Chairman, as we will remind you when we see you on the floor of the Senate and in the halls of the Senate Office Building, that this was a "take" by the Federal Government, that the area was changed with respect to its use, which made much of the area unusable for things that would normally be the accepted use.

The result was that many people could no longer sustain their economic subsistence because of the change that was imposed upon them very much against their will. We know that you will keep that in mind, and if you shouldn't, we will continue to bring it to your attention.

Senator MCCLURE. I will, indeed, because I recognize the hardship that is caused in some of these areas when we remove an economic base, which is not always compensated for by the change that is brought to it by the Federal act. We will do the very best we can.

Senator BOSCHWITZ. Thank you, Mr. Chairman.

Senator DURENBERGER. Thank you, Mr. Chairman.

Senator MCCLURE. Senator Cranston?

## STATEMENT OF HON. ALAN CRANSTON, U.S. SENATOR FROM CALIFORNIA

Senator MCCLURE. We want to welcome you before this committee once again.

Senator CRANSTON. Thank you very much. I'll be very brief. I appreciate the opportunity to appear before the Senate Appropriations Committee Subcommittee on Interior and Related Agencies this afternoon, to testify in support of the $400 million appropriation for fiscal 1984 for the land and water conservation funding.

As you all know, the Reagan budget proposes an appropriation of $57 million for the Land/Water Conservation Fund, a totally inadequate amount.

Moreover, the administration intends to use this very limited funding only to pay for court awards for recreational land, and no funds will be available to proceed with high-priority park additions like the Santa Monica Mountains National Recreation Area in my State.

A number of national conservation organizations, including the National Parks and Conservation Association, and the Wilderness Society, have taken a close look at the needs of the LWCF moneys throughout the Nation and are proposing a $400 million appropriation, $275 million for Federal land acquisition and $125 million for the States' share. They recommend at least $22.5 million for the Santa Monica Mountains.

Mr. Chairman, there's no park in the country in greater need of acquisition funds than the Santa Monica Mountains, NRA established in 1978.

In the last 3 years, the Reagan budget has not included any moneys for the Santa Monica Mountains, and in fiscal 1983, Congress unfortunately failed to appropriate funds for the Santa Monicas in spite of continuing threats of development of the parklands, and escalating land values.

Nonetheless, the National Park Service can still put together the Santa Monica Mountains Park with high recreational and natural and scenic values. With an appropriation of $22.5 million in fiscal 1984, the Federal Government could acquire 5,105 acres, nearly doubling the size of the existing 6,271-acre NRA.

The Park Service has already acquired the major activity sites, the most expensive lands, and now intends to concentrate on significant ecological areas where the cost per acre is much less.

With $22.5 million, the Park Service can acquire the Backbone Trail, the 179 acres estimated at $900,000; Triunfo Peak, 1,225 acres, estimated at $6.5 million; Zuma and Trancas Canyons; Lower Zuma Canyon, Canyon and Ross. These are undeveloped areas.

The Park Service needs to tie together the parks that are already in Federal park ownership. I can't overemphasize, Mr. Chairman, the need to move forward for the Santa Monica Mountains purchases expeditiously. Santa Monica Mountains is one of the most rapidly appreciating areas in the Nation, and is under extreme pressure by private developers and subdividers.

Secretary Watt, in his speech before the Jewish Federation Council in Los Angeles this January reaffirmed his commitment to Federal purchase of Santa Monica parklands.

I urge the committee to help fulfill this commitment, and provide at least $22.5 million for the Land and Water Conversation Fund for the Santa Monica Mountains National Recreation Area in fiscal year 1984.

Senator McClure. Thank you, Senator Cranston. As you know, the Nation's most populated State also has some of the largest resource problems, not unassociated with the beauty of the State or the density of the population.

We have other acquisition problems in your State which you have called to our attention, as well. How we balance all of those requests within California, and with the other 49 States is simply a matter of how many dollars we can make available and what the priority list is.

There are others within your State that we started a long time ago, that you and I have both worked on. And we haven't completed all of those, including the Redwoods, Sweeney Ridge, the Golden Gate NRA, the Channel Islands, Big Sur, or Point Reyes.

The list is long. We have been very successful over the years. I don't know what we can do this year, but we'll do the best we can. Santa Monica again is one of those problems that addresses itself to the availability of funds.

Senator Cranston. I recognize those problems; $22.5 million is not a vast sum. It would help tremendously in an area close to such a huge population center.

Senator McClure. We still remain hopeful that local government there will assist us by taking the actions which local government can to both stem the tide of development and reduce the cost of acquisition.

The local government has so far failed to do that.

Senator Cranston. It finds it hard to resist, I guess, the requests for rezoning, when there is no sign of action back here.

Senator McClure. There might be more sign of action back here if there was more sign of action out there. If they don't think it's priority, it's pretty hard for us to.

Senator Cranston. If we provide some guidance and leadership, I think we would get a response there. But there are opportunities now to acquire land that has not been rezoned, not as expensive as some other portion.

Senator McClure. I will take another look at it, and I will take a look at it in view of the priorities you list in your statement here.

Senator Cranston. I appreciate that very much.

Senator McClure. Thank you, Senator. I know you know what our problems are.

Senator Cranston. Thank you very much.

# DEPARTMENT OF ENERGY—Continuing

## SECRETARY OF ENERGY—Continuing

### PROGRAM ACTIVITY AND STAFFING LEVELS

Senator McCLURE. Mr. Secretary, there is a matter that troubles the Congress and the administration that perhaps we ought to try to resolve if we can.

There was a feeling on the part of many that OMB and the administration were concurrently attempting to reduce programs by reducing personnel.

And the Congress, in order to cope with that, set personnel limitations, which you have rather rightly pointed out limits your managerial discretion.

I share that feeling, and I would like to see the Congress reverse the action that we have taken by replacing those arbitrary personnel limits in your budget.

I also feel unless we have a pretty good understanding about where we are headed, Congress isn't likely to do it. And I think you understand that issue as well as I do.

Is there any way that you can state for the record to this committee and to the Congress, the absolute assurance that if the restrictions are removed, that programs will be maintained at a level consistent with the intent of Congress?

Secretary HODEL. Mr. Chairman, I can state my personal intention to see that we operate in that fashion, because I strongly believe that is appropriate.

As I said before you at my confirmation hearing, it is my belief that I am obliged to represent to this committee and to Congress what I think are the best programs for the Department within the budget amount that we propose.

But, if Congress approves larger sums of money for a given activity than we have asked for, and the President signs it, it becomes the law. It seems to me there is no question that it is my obligation to expend those funds for the activity as requested by Congress, and approved by the President, without attempting to subvert those programs.

There are only two exceptions I am aware of. One is through rescission and deferral and the other is through a reprograming, which I assume we would still be free to mention to the committee if we think funds could be more appropriately expended.

But within that, I believe we are now conducting ourselves aggressively to carry out those programs which the fiscal year 1983 budget appropriation provided for.

I would point out, it is normal for the Office of Management and Budget and the Department to list in the fiscal year 1983 column of the fiscal year 1984 budget request, those areas where we would plan to seek a rescission of budget authority. We did not do that and I think that was appropriate in light of my commitments to this committee.

Instead we have taken the list of items where we had reservations, and will hold them until later in the fiscal year, where we still will have the opportunity to complete fully a plan in compliance with congressional intention. We've talked with the committee staff. We're working with the committee staff to determine whether or not to come forward with deferral or rescission proposals.

I think that is evidence of my commitment to carrying out the assurances I gave this committee. We will expend funds to carry out the programs.

Also, we are working hard to maintain the employment floors that are provided. I must say we are doing this across the board. I am advised by my Assistant Secretaries that they are working aggressively to maintain those minimum levels. We have personnel actions in place and going forward to maintain those levels, but at the present time, in several categories, we are not able to maintain full levels. But I do not believe that has led to reductions in the programs that were expected by Congress.

Senator McClure. Mr. Secretary, I appreciate your comments. We have had 2 years now of interaction between this administration and the Congress.

That interaction has now been fairly well defined in both actions and response. It's helpful to us to be able to point to those responses to determine where we're going.

Yes, indeed. You can submit rescissions and deferrals or reprograming requests. And I would understand your commitment to mean that you would not take personal actions based upon those until they had been approved.

Am I correct?

Secretary Hodel. That would be correct, Mr. Chairman.

Senator McClure. So that until the reprograming or the rescission or deferral have become final, the program level would remain the same; and personnel cuts would not be utilized to change the program level?

Secretary Hodel. That would be my understanding. Mr. Chairman, if it should come to the attention of this committee that they think I am proceeding otherwise, or something is occurring in the Department which is not conforming with my intention, I would hope to hear from you promptly; and I will see that it does not happen.

## OPEC PRODUCTION AND PRICING

Senator McClure. Now, let me turn for a moment to something that is very much in the news today.

What is happening with OPEC? What does OPEC's actions do to our Nation's preparedness, and how do they affect the strategic petroleum reserve?

I'm not going to try to mousetrap you there. They are related questions as far as I am concerned.

Secretary Hodel. Mr. Chairman, what's happening with OPEC is that decontrol of oil in the United States and the effect on consumption of price increases that have occurred over a number of years, have had the combined effect of increasing the amount of oil available and decreasing the demand.

As you know, there has been a substantial reduction in the import of oil by the United States.

What is happening clearly is that, even in an effort to maintain a cartel, OPEC will not survive in a strong enough market swing. What we have today is a clear enough oversupply in the market of oil, and they simply are not able to sell oil at the prices they had established previously.

It seems fairly apparent to me that there is a desire on the part of the OPEC nations to minimize the rapidity with which the price of oil drops. That is clearly in their best interests, and they are obviously recognizing they have to come down with the price, and they have to try to put some kind of restriction on their production in order to reduce the supply excess.

It would be my expectation that at a price of $29 a barrel, the market will still have an oversupply of oil, and I would expect there would be for some time to come a continued discounting from the market price in the spot market.

I thought from the beginning that we would eventually see oil in the mid-$20's range, and I do not pick a specific figure by saying that, but in the mid-$20's range.

I would think that is still a fair estimate as to where the price would be heading. What it means with regard to the strategic petroleum reserve is that we have continued to acquire the oil which is on long-term contract in accordance with those contracts, which provide about 160,000 barrels a day from Mexico. That leaves 60,000 barrels a day of acquisition from the spot or short-term market.

And the Defense Fuel Supply Center, which does the acquiring for us, has over the last couple of months refrained from making those purchases because of the anticipated reduction in price. Presumably they will move back into the market to move us up to our average annual fill requirement of 220,000 barrels a day, when they think the price is as good a price as they can get.

Senator McClure. Mr. Secretary, the newspaper and the news accounts yesterday and today have focused primarily on the price reduction.

They have focused on the fact that OPEC is trying to fix the price of oil at $29 a barrel with adjustments for rate and deliverability.

There is less emphasis in the news upon what will sustain that—their ability to fix that price—and that is the market sharing arrangements which they have apparently been able to arrive at among themselves.

According to the news reports, they are talking about 17.5 million barrels a day of production. If that is the amount of production which they have agreed upon, is that going to be sufficient to reduce the oversupply in the world's markets? Or will that leave them still with an excess of production flowing into markets that are too restricted to accept all of that production?

Secretary HODEL. Mr. Chairman, no one is going to know until they try it, obviously. But it would be my expectation that the 17.5 million barrels would not greatly reduce supply in the world at the current level of consumption.

Several things could happen to revise it. First, there could be a fast economic uptrend, as anticipated. Second, you could have consumers, who today are reducing their inventories stop that drawdown.

If these events occurred simultaneously, the oversupply could be lessened.

It may well be that in setting the 17.5 million barrels a day production level, the OPEC nations are seeking to test the market, seeking to find out if at $29, inventory reductions cease or diminish, and therefore, demand increases sufficiently to make the 17.5 work out.

It would seem to me there is also the distinct possibility that that quota will not be met totally by the members. There are still some incentives for some members to complete arrangements that have been made previously, at least, at somewhat higher levels.

So the combination of those things actually is going to provide the test whether or not that will work.

Senator MCCLURE. According to the reports, some of which come from a syndicated publication, "Petroleum Intelligence," weekly published in the New York Times this morning, the OPEC members, aside from Saudi Arabia, agreed upon 13 to 13.5 million barrels a day among themselves. And Saudi Arabia would be the swing to supply the balance of the market.

If my understanding of today's market is correct, the current deliverance of crude from OPEC members is about 14 to 14.5 million barrels a day. Some 3 million barrels a day under the ceiling that they have set.

That would also mean that the Saudis would have to reduce their production 1 to 1.5 million barrels a day, or perhaps 2 million barrels a day, rather than the quantity that they have been producing in the immediate past.

I think that's a much more important consideration than simply having arrived at a price of $29 a barrel. They could arrive at any price and sustain it, based upon their ability to curtail production.

Whether that's $29, or $28, or $31, or $25, or whatever the price might be, if they can't curtail production to meet the market, they can't hold any price.

Is that correct?

Secretary HODEL. That would be correct. It would not surprise me to find that in reaching that agreement, as we know at least from the reports that we read, there is considerable disagreement within OPEC as to how it should be approached.

It would be reasonable, I think, to expect that. The price that they set at the production quotas that they set, at this stage, is not as low as they might have to go, based on today's market.

It would seem to be an effort to move toward that—provide themselves additional time, further tests, and see if they will have to go further in adjusting the price or production to reach that bottom line.

It also provides time for the Western economies to recoup, and as they start recovering, there is a price impact and a consumption impact.

And second, the OPEC countries are as aware as we are of the consumption of inventories which is taking place; they may assume reasonably at some point that effort will be reversed.

### SPR OIL PRICE PER BARREL

Senator MCCLURE. Let me just go through a little bit of development of the issue as presented by your proposed budget on the strategic petroleum reserve. You stated that the proposed reductions for 1984 are based primarily on budget considerations. Within this framework, you indicate the difference between the fill rates of 220,000 and the 145,000 barrels per day, a total of 27.4 million barrels, has to be financed with borrowed money. Of course, all of it is financed by borrowed money. It is just a question of how much you want to borrow.

If we do assume that this total difference of 27.4 million barrels is, in fact, purchased with borrowed money, what is the total per barrel cost, including finance costs, compared to what you anticipate the per barrel price of oil will be in fiscal year 1985?

Secretary HODEL. We assumed in our budget request that the average cost per barrel in fiscal year 1984 would be $35.08. The President's budget assumed that the annual interest rate of 91-day Treasury bills in 1984 would be 7.9 percent. This would result in a per barrel cost including interest for oil bought in fiscal year 1984 to be $37.85 by fiscal year 1985. The assumed price per barrel for oil purchased in fiscal year 1985 was $36.95.

Senator MCCLURE. Does this 1985 price also take into account any finance charges?

Secretary HODEL. No; the $36.95 per barrel price in fiscal year 1985 as estimated in the budget does not include finance charges.

Senator MCCLURE. What would be the difference in per barrel cost between fiscal years 1984 and 1985 if the recent drop in oil prices were taken into consideration?

Secretary HODEL. Mr. Chairman, I would like to answer that for the record.

[The information follows:]

### REEVALUATION OF FORECASTS

The President's budget assumes an increase of $1.87 or approximately 5 percent from fiscal year 1984 to fiscal year 1985 in the average per barrel cost of oil to be delivered to the strategic petroleum reserve. Price reductions announced since the budget was prepared will likely result in reductions in our forecast of actual price levels but may not significantly affect changes between fiscal year 1984 and fiscal year 1985. Our forecasts are being reevaluated at present and the results of our analysis will be incorporated in future budget updates.

### FORECASTS OF OIL PRICES

Senator MCCLURE. I would assume these forecasts are considered "best possible" and do not take into account disruptions in supply that can take place between now and then. Have you made similar calculations based on a worst case scenario?

Secretary HODEL. The forecasts used for budget formulation are based on what we expect to be happening in the economy in the absence of a supply disruption. We have analyzed the economic effects of supply interruptions using a variety of specific interruption scenarios and assuming a variety of specific market conditions.

Senator MCCLURE. What would these calculations be in a worst case scenario?

Secretary HODEL. I will provide that information for the record.

[The information follows:]

### WORST CASE SCENARIO

In May 1982, the Department transmitted the report to the President and the Congress on the size of the strategic petroleum reserve. This report was prepared pursuant to section 1037 of the Omnibus Budget Reconciliation Act. In that study, the worst case assumed a net worldwide disruption of 12 million barrels per day in 1995. Analysis of that "worst case" resulted in price rises of two to three times the predisruption price over the range of base case assumptions evaluated.

### BIG HILL CONSTRUCTION

Senator MCCLURE. When do you expect a decision will be reached by DOE as to the outcome of phase III construction activity at Big Hill?

Secretary HODEL. This issue is being examined as part of the departmental internal budget review process for fiscal year 1985 which will be concluded by July or August 1983, with subsequent review by the President.

Senator MCCLURE. Has the Department already or will the Department conduct an analysis of the additional construction costs associated with postponing construction of Big Hill during 1984?

Secretary HODEL. Since the decision to proceed with Big Hill will not be made until the fiscal year 1985 internal budget review is concluded, no final analyses are available regarding schedule or additional costs. However, the Department has performed preliminary analyses on the effects of a 1-year delay of Big Hill construction until fiscal year 1985.

Senator McCLURE. Would you please provide such an analysis for the record?

Secretary HODEL. Our preliminary analysis suggests that a 1-year delay in Big Hill development could increase facilities development costs by $82 million and oil acquisition costs by approximately $300 million. I will be glad to provide the detailed analysis for the record once it is completed.

### IMPACT OF OVERTURNING $57.4 MILLION DEFERRAL

Senator McCLURE. As you are probably aware, the House of Representatives last week approved a resolution disapproving your proposed SPR deferral of $57,400,000. Can you explain for the committee how this action will impact your plans for the strategic petroleum reserve for the remainder of fiscal year 1983 and for fiscal year 1984?

Secretary HODEL. We had planned to utilize the $57.4 million in fiscal year 1984 for a combination of phase III activities including West Hackberry site development. Since the fiscal year 1984 budget provides no additional phase III funding and hence does not contemplate award of major Big Hill construction contracts until after fiscal year 1984, we are presently reviewing the question of how to utilize the available funding in fiscal year 1983. Overall, the disapproval of the deferral will not, by itself, affect greatly the total development work accomplished in the fiscal year 1983–84 timeframe.

Senator McCLURE. Where are you going to put the oil at the end of 1984, if you don't go ahead with the Big Hill?

Secretary HODEL. Mr. Chairman, Big Hill is the final 140 million barrel of storage, which will take us from 610 million barrels of storage capability to 750 million barrels. We would at the end of 1984, assuming 220,000 barrels a day, be at 438 million barrels in storage. If we fill at a rate of 145,000 barrels a day, we would be at 411 million barrels in storage. In both cases, we would be well below the 600 million level, and would not be in a position to need the Big Hill facility.

### FISCAL YEAR 1983–84 FILL RATES AND STORAGE CAPACITY

Senator McCLURE. If you were to fill the reserve at a rate of 220,000 barrels per day in both fiscal years 1983 and 1984, how would you handle the storage of the oil that is in excess of your capacity?

Secretary HODEL. If we maintain a daily fill rate of 220,000 barrels of crude oil during fiscal year 1983 and fiscal year 1984 we will exceed our developed capacity by approximately 10 million barrels. This would require using some interim storage for the oil. We would attempt to minimize the cost of interim storage by first seeking methods for temporary storage at our existing sites. If needed, further capacity would be acquired by soliciting offers from the private sector.

## ADDITIONAL COMMITTEE QUESTIONS

Senator McClure. Mr. Secretary, there may be some written questions to be submitted for the record. I do appreciate your appearance here this afternoon and your courtesy to the Members who interrupted your presentation here this afternoon. Thank you very much.

Secretary Hodel. Thank you, Mr. Chairman. I appreciate the opportunity to be here. I don't mind being interrupted by Members of Congress.

Senator McClure. At least that's a good way to put it on the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

### Questions Submitted by Senator Lowell Weicker, Jr.

### Fuel Switching

*Question.* Mr. Secretary, in light of the possible decontrol of natural gas, and in light of falling oil prices, it would appear that there may be considerable merit in conducting an analysis similar to the "463" combustor report. such an analysis would provide some sense of the amount of fuel switching currently taking place, and provide a better sense of what we might expect in terms of future demand for oil and natural gas. Although there are no funds in EIA's budget request for this study, don't you think it would be appropriate to get a better awareness of the actual amount of fuel switching taking place?

Answer. There is certainly considerable merit in conducting sample surveys of energy consumption in the industrial sector, which presently accounts for about 40 percent of total U.S. energy consumption. However, while there is always a demand for more energy information, the resources required to respond to these demands are not always available. Resources are not currently available for this type of a survey.

However, EIA has been able to contribute to the natural gas debate with some data on fuel switching. Data which EIA obtained on the EIA-463 was included in the gas analysis marketing model system which was used in the administration's analysis of its proposed decontrol legislation. Data from the EIA-463 survey have also been published in three reports, the most recent being in January 1983. Additionally, EIA is planning to conduct several low cost surveys with the hope that some gross trend information may surface.

*Question.* By the same token, shouldn't it be useful to reinstate EIA's residential and commercial end user surveys? These studies should help give us an accurate demand/consumption picture which together with a combustor report ought to provide a clearer picture of which factors have been principally responsible for the declining demand for oil and petroleum products.

Answer. The residential and commercial consumption surveys generate a great deal of data which provide the basis for an analysis of trends, such as the extent to which fuel switching is occurring. EIA is not terminating these surveys, but simply planning to reduce the frequency with which they occur, because the characteristics of residential and commercial energy consumption do not change significantly enough to warrant an annual survey. Funds are included to conduct analyses of past years' funded surveys; however, additional funds are not required in fiscal year 1984 to actually conduct surveys.

# CONGRESSIONAL WITNESS

## STATEMENT OF HON. WILLIAM L. ARMSTRONG, U.S. SENATOR FROM COLORADO

Senator McCLURE. I see Senator Armstrong has come into the back of the room. Do you have a statement you would like to make? Senator Armstrong.

Senator ARMSTRONG. Mr. Chairman, I am grateful for the opportunity to appear before the committee. I have heard it said one picture is worth 10,000 words. So in lieu of a lengthy statement, I have asked my staff to simply display, for the benefit of the committee and its staff, some pictures of the scenic MacGregor Ranch property, which I think you are familiar with, Mr. Chairman. In the notebook which I have provided you with, there are a number of additional pictures which simply emphasize the point.

This historic property of about 1,200 acres is some of the most spectacular scenic mountain country in the world. It lies north of the village of Estes Park in the eastern half of Rocky Mountain National Park. As the chairman will remember, in the RARE II Act of 1980, Colorado Wilderness Act, Congress incorporated McGregor Ranch within the boundaries of Rocky Mountain National Park with the proviso that the park boundaries would refer to the former contours, if Congress did not act to acquire the ranch properties.

Of course, it's privately held. The fact is that the MacGregor Ranch is a property which is the sole asset of a charitable trust, and therein lies the problem. The legislation provides for the reversion of Rocky Mountain Park back to its former boundaries and, in effect, the loss of this magnificent property to Rocky Mountain National Park, unless we appropriate the necessary funds to either acquire the ranch or in some other way to work it out to the satisfaction of the trustees. The trustees are eager to accommodate in any way they can. They feel that this is the best use of the property, but they also face the reality that, as trustees, they have got to fulfill the purposes of the trust, and the ranch does not generate any income, which is the only asset in the trust.

So the only way out that we can see to fulfill all of the obligations of everyone concerned, is either for Congress to go ahead and acquire the property as originally intended, or as I point out in the written statement which I have submitted, perhaps it would be possible to acquire some sort of a scenic easement.

Mr. Chairman, rather than belabor the issue, I think that states it as well as I can.

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I would like to submit my written testimony for the record.

I would be happy to respond to any questions. It is my recollection that the chairman and the staff are very familiar with the issue and, I believe, sympathetic to it. So I just wanted to make that brief presentation. I would appreciate the consideration of the committee when this matter comes before it.

Senator McClure. Thank you very much, Senator Armstrong. I do appreciate your testimony. The pictures are particularly eloquent testimony. Our only problem is money, and the fact is that we have to say to other people who have been waiting in line for a long time, that there isn't enough money for them either.

I don't want to ever say, whatever list that was made in the past is immutable, unchangeable, and we can't respond to an emergency or changed circumstances that occur from time to time. But the dilemma we face is about a $2 to $3 billion backlog of acquisitions. There is which we simply cannot make for those that have long been authorized and been waiting acquisition, about the same amount or slightly larger backlog of development funds for those that we have already acquired and promised development and can't make those development investments.

But your situation is unique. There's a timeframe involved and a particular easement. We will take a hard, close look at it.

Senator Armstrong. Mr. Chairman, I really do think it is unique in the physical geography of this situation, not just that it's a very scenic spot. That goes without saying. I'm sure the committee has before it any number of very scenic proposed acquisitions. This one is unique, not only because of its scenic value, but the fact that it's in the boundary of the National Park, and there is a time deadline, which it's almost impossible to alter. One suggestion for an alteration of the absolute deadline is this notion of acquiring a scenic easement. I think that underscores it. The trustees are eager to accommodate in any way they can, but they'e got trustee responsibilities that they must fulfill.

Senator McClure. Have they put any price tag on the scenic easement?

Senator Armstrong. I would have to ask staff to answer that question. I'm not aware that a price has been put on it. I'm advised that $4 million is the price of the scenic easement?

Senator McClure. What's the acquisition price?

Senator Armstrong. I see. Mr. Chairman, my recollection is refreshed. $4 million is the proposal, and that is all the Park Service has, in effect, requested. The other rights to the property are remaining with the trust to be used for purposes which would not be inconsistent with the scenic easement.

Senator McClure. I understand.

Senator, we will do the best we can.

Senator Armstrong. Thanks. I appreciate it.

Senator McClure. Thank you very much.

### SUBCOMMITTEE RECESS

The subcommittee will stand in recess until the hour of 2 p.m. tomorrow, at which time we will hear the budget request of the National Capital Planning Commission.

[Whereupon, at 4:10 p.m., Tuesday, March 15, the subcommittee was recessed, to reconvene at 2 p.m., Wednesday, March 16.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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WEDNESDAY, MARCH 16, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:06 p.m., in room SD–192, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## NATIONAL CAPITAL PLANNING COMMISSION

### STATEMENT OF HELEN M. SCHARF, CHAIRMAN

ACCOMPANIED BY:
- REGINALD W. GRIFFITH, EXECUTIVE DIRECTOR
- DANIEL H. SHEAR, GENERAL COUNSEL
- MALCOLM L. TREVOR, SPECIAL ASSISTANT TO THE EXECUTIVE DIRECTOR
- ROBERT E. GRESHAM, ASSISTANT EXECUTIVE DIRECTOR FOR OPERATIONS

### INTRODUCTION OF ASSOCIATES

Mrs. SCHARF. Thank you, Senator. I would like to introduce another person today before I introduce my staff people. My successor is here to watch the proceedings. He will take office tomorrow. He is Glen T. Urquhart, and we are very glad to introduce him to you and to the process.

Senator MCCLURE. Thank you.

Mrs. SCHARF. On my right is Mr. Shear, our General Counsel. On my left is Mr. Griffith, our Executive Director; Mr. Trevor is our Special Assistant for Administration, and Mr. Gresham, you have a new title which I haven't managed to remember yet.

Mr. GRESHAM. Assistant Executive Director for Operations.

### INCREASED BUDGET REQUEST FOR FISCAL YEAR 1984

Senator MCCLURE. Right. Thank you very much.

First of all, NCPC's 1984 budget request represents a 14-percent increase over 1983. Why is that? Why the increase?

Mrs. SCHARF. There are several reasons for that. The most important one, I guess, is the standard level user charge, which GSA is assessing against us to the tune of $400,000, almost double the amount we paid last year. We also are sacrificing 3,500 square feet of space along with that. We have, as you probably have noticed, a $58,000 increase in personnel costs. That is because, even though there are two people less to be expected on a permanent basis, there has been a 4-percent general increase in salaries and some increases in the salaries of senior personnel.

Those are the two items—no, there is another one. Personnel benefits, of course, increase along with the cost of the staff. So we have an additional $8,000. We have reduced our printing budget to the tune of $50,000, and that will help to pay for those increases.

## COORDINATION OF FEDERAL DEVELOPMENT

Senator MCCLURE. Mrs. Scharf, in reviewing your justification, it is necessary to discuss the Commission's responsibility to fully implement a comprehensive plan. The primary goal of the NCPC is comprehensive planning for the physical development of the National Capital region to preserve its natural and historic features which are generally described as green open space of low density and limited height skyline. As an independent Federal agency, does the NCPC have any problems effectively coordinating Federal development in the National Capital region?

Mrs. SCHARF. I would say that we do not, particularly at the present time. We are in good cooperative association with other agencies that are interested in their own features and their own locales.

Senator MCCLURE. Would you urge that you have greater enforcement authority to assure compliance by Federal and private agencies with the planning goals that you have established?

Mrs. SCHARF. Do you wish me to speak for myself, because I haven't questioned the Commission on this point?

Senator MCCLURE. Yes.

Mrs. SCHARF. Personally, I think it would be very helpful if we could have more authority in the region for approval of Federal projects and facilities than we now have in the region, with so much land and so many of our facilities located there, we only have an advisory role.

Senator MCCLURE. You have indicated that, generally speaking, you think you have been able to effectively coordinate, and yet your response would indicate that maybe you have a little bit of doubt as to whether you have been able to effectively coordinate.

Mrs. SCHARF. Well, I think we'd feel more comfortable if we could be rather authoritative when we make a statement about something.

Senator MCCLURE. It's easier to get cooperation, if you're authoritative?

Mrs. SCHARF. Pardon?

Senator MCCLURE. It's easier to get cooperation if you're authoritative?

Mrs. SCHARF. Well, if you don't exercise it with too much flair.

Mr. SHEAR. If you have the authority without being authoritative. [Laughter.]

Senator McCLURE. All right. That's perhaps a better formulation.

### COMPREHENSIVE PLANNING EFFORTS

Mrs. SCHARF. That's well said. Thank you very much.

Senator McCLURE. The Commission's comprehensive planning efforts include the adoption of Federal goals for the National Capital and the circulation of three other elements dealing with Federal employment, Federal facilities and open space and natural features for agency and public review and comment. In your justification, you state that the Commission recently adopted the Federal goals element for fiscal year 1983.

Why does this year's justification restate the very same thing?

Mrs. SCHARF. We took a little longer than we had expected to. We have a new schedule. We had realined some of our elements, and we worked on them very carefully, and I would say that while we didn't get as far along as fast as we wanted to, we certainly did put quality into the elements. And they have been, I think, admired and appreciated by those people who reviewed them.

Senator McCLURE. Am I correct in stating that no Federal elements have been adopted this year?

Mrs. SCHARF. No; that is not correct. We have had the—help me, Reg.

Mr. GRIFFITH. We have five Federal elements of the comprehensive plan now adopted. The Federal goals were early adopted. Since that time, we have adopted the Federal environment, Federal facilities, Federal employment and foreign missions and international agencies element.

Senator McCLURE. Now how many of those were adopted within the last year?

Mr. GRIFFITH. Within the last year, we adopted the Federal facilities, Federal employment—excuse me. Mr. Hromanik has the exact dates. He is our Planning Director.

Mr. HROMANIK. My name is Edward Hromanik. The Federal goals element was adopted in February 1982, the Federal facilities and Federal employment elements were adopted in February 1983.

Senator McCLURE. One a year?

Mr. HROMANIK. Well, two this year, one last year.

Mrs. SCHARF. And we have another one that is in circulation. That's the open space and natural features element. And we also have another one about to be circulated, I guess, starting tomorrow, and that's the preservation and historic features element. And those have been back and forth from the Commission to the staff, until we have perfected them, hopefully, to just what we'd like to have.

Senator McCLURE. It was anticipated that in 1982, the preservation and historic features element would be adopted, yet, as you indicated, it's just now being circulated.

Mrs. SCHARF. Well, I would like to explain that. We are working with the District Government—you understand that they, too, are responsible for the comprehensive plan—and we felt that this was a subject matter that was really going to be addressed by both of our agencies, and it was very sensible to work together. So we organized a task force of people from the District of Columbia Planning and Development Office and our own staff, and our own Commission members and representatives from the District Government.

And they have worked together, and it's been very successful, but it has taken longer, because they went out and got a consultant to help them and it deferred the finish of it by a few months.

Mr. GRIFFITH. Senator, if I may. Normally, the Federal elements, are taken on by the Planning Commission and the District elements by the District. This process started with the preservation element. We soon discovered it was best to combine those two efforts. So this is the first example in the comprehensive planning process where we have what will be a joint element that has the input of both Federal and the local governments at the same time rather than two separate efforts.

Senator MCCLURE. Are you going to be able to get that done?

Mr. GRIFFITH. Yes, sir.

### FORECASTING FUTURE FEDERAL EMPLOYMENT

Senator MCCLURE. I note that your Federal employment element of the plan projects a relatively stable Federal employment for the National Capital region through the year 2000. This is quite different from past trends in Federal employment. What does this mean for Federal facility construction and leasing over the next 17 years?

Mr. GRIFFITH. I would like Mr. Hromanik to answer the question, sir.

Mr. HROMANIK. Senator, we have gone through quite a process in trying to forecast future Federal employment. We anticipate that there will probably be a decline over the next 18 years, the range being approximately 400,000 to 452,000 employees in this region. And it does mean that there will be a possibility of more decline in the amount of space leased by the Federal Government, due to first, declining employment, and second, to more efficient use of existing Federal space. Those two factors will make for more intensive use of existing Federal space. So that in our facilities plan, we do not project any new Federal sites in this region, but more efficient use of existing sites.

### IDENTIFICATION OF FEDERAL INTEREST

Senator MCCLURE. I understand that the Metropolitan Washington Council of Government and the NCPC have reached agreement on the principles and process for identifying the Federal interest in development in the National Capital region.

Is this agreement adequate to accomplish NCPC goals at this time?

Mrs. SCHARF. We think so.

Senator MCCLURE. You have no problem with that agreement?

Mrs. SCHARF. We've had no problem to date. We have a process for adjustment of disagreements if they should occur, and we think it's going to be useful and work well.

Senator MCCLURE. There has been some controversy regarding the effect of the building heights in Arlington on the skyline and vistas from Washington. I understand you have reached some resolution of the problem with the Arlington County Board. Could you describe briefly how that was resolved and what, if any, are the shortcomings?

Mrs. SCHARF. Well, through patient, thoughtful discussion between the two parties.

Senator MCCLURE. Without authority?

Mrs. SCHARF. Without authority. [Laughter.]

Persuasion, instead. And we have been very successful, I think, in the whole process of talking about the vistas and our function in protecting these natural features, to help to bring understanding to our locals. I feel that the local bodies who sometimes protest about these things are composed of elected people who come and go, and they don't have as close a contact with us as they do with their own staff. They don't initially understand, but with time they learn. And we compromised a little bit; they compromised a little bit; and consequently we have very friendly feelings and workable situations.

### PREPARED STATEMENTS AND SUBMITTED QUESTIONS

Senator MCCLURE. We will have some more questions to submit to you for your response in writing for the record.

Mrs. SCHARF. Yes.

Senator MCCLURE. But I would be remiss if I didn't say, as you identified that you are being succeeded by another gentleman tomorrow, who will ostensibly have the responsibility of stepping up here to the microphone next time we have a hearing to respond to the Commission, our thanks to you for your help and service over the past period of time.

Mrs. SCHARF. Thank you.

[The information follows:]

## STATEMENT OF HELEN M. SCHARF

Mr. Chairman and members of the Committee, I am again very pleased to be here to testify on behalf of the FY 1984 appropriations estimate for the National Capital Planning Commission. The budget justification document before you reflects the Commission's best efforts to carry out its role as the central planning agency for the Federal Government in the National Capital Region. We are confident that our package of programs for FY 1984 will continue to fairly represent the Federal interest, as well as promote cooperation between the Federal Government and various jurisdictions of the Region.

It was the the National Capital Planning Act of 1952, as amended, that designated the National Capital Planning Commission as the central planning agency for the Federal Government in the National Capital Region. The Region is defined in the Act as the District of Columbia, the two surrounding Maryland counties, the four surrounding Virginia counties, and all cities within the limits of such counties. The region contains about 115,000 acres of Federal land, with some 169 million sq. ft. of leased and owned floor space housing 415,000 Federal employees. Planning for the effective functioning of the Federal government in terms of distribution of its employees, optimum accommodations, and movement of goods and services and the complementary meshing of the Federal interests with local goals are but a few of NCPC's responsibilities.

As you may know, NCPC's responsibilities are quite distinct from those of the Commission of Fine Arts which advises the President, Congress, and Federal department heads on matters of painting, sculpture, architecture, aesthetics, and other fine arts, or from those of the Pennsylvania Avenue Development Corporation which is charged with implementing the Pennsylvania Avenue Development Plan. By law, we interact and coordinate with both of those bodies.

Our Planning Act has as its purpose the securing of comprehensive planning for the physical development of the National Capital. The Commission is charged with preparing and adopting federal elements and reviewing, for Federal interest, District of Columbia elements of the Comprehensive Plan for the National Capital.

Recent comprehensive planning efforts of the Commission include the adoption of Federal Goals for the National Capital, adoption of the Federal Facilities and Federal Employment elements and the circulation of the Open Space and Natural Features element for agency and public review and comment. An additional element concerning Preservation and Historic Features will be circulated this Spring. Of the seven Federal Plan elements identified by the Commission, five have been adopted and we anticipate that all seven will be adopted by the end of the year. We have also recently completed the review of two draft District elements to the Comprehensive Plan, the Downtown Plan and City-wide components.

We are also charged with the ongoing responsibility of reviewing capital improvements program requests of Federal agencies within the Region. The amount of such request this year exceeds $2 billion. In addition, the Commission performs Federal interest reviews of the capital improvement programs of state and local agencies and governments in the Region. This past Fiscal Year, the Commission reviewed 13 such programs, which contained 98 projects having potential impact on Federal interest. Numerous master and project plans and plan modificatons for Federal installations were also reviewed along with plans for the development in parks, parkways and other open space systems in the National Capital, as well as District of Columbia master plans and site and building plans. 1/

The Commission also has in lieu of zoning authority for Federal projects within the District of Columbia. Recent projects approved under this authority include a new headquarters facility for Intelsat on the International Center site, and the Smithsonian Institution's South Quadrangle development.

Page 5 of our justification document shows a detailed breakdown by object classification of the different spending levels anticipated in both the Current and Budget year. You will note that although the total difference between the two years is $191,000, an increase in our rent or Standard Level Users Charge (SLUC) accounts for $175,000 of it. This is the net increase even after relinquishing some 17% of our existing space.

In order to help offset increased payroll expenditures resulting from the October 1982 pay raise and the "release on the executive cap" (which occurred in late December of 1982), we have reduced the $70,000 allocated for printing in FY-83, to a $20,000 figure in FY-84. This should be possible since the majority of approved elements to the Comprehensive Plan will have been printed with FY-83 funds. The $20,000 would then represent the necessary amount to print ongoing periodic publications, i.e.; (1) The Quarterly Review, which four times a year reports the actions of the Commission (2) Other required printings such as in the Federal Register, meeting notices, etc.

In the area of personnel, we are again reducing permanent staff levels by two, from 48 to 46. We hope that these cuts can be made through the normal attrition of existing staff.

In summary, the lion's share of the increase in the Commission's FY-84 budget is due to higher rents charged by GSA for our leased space. Increased personnel costs attributed to statutory pay changes will in great measure be offset by a reduction in printing monies over FY-83 levels, and finally, the reduction of two staff members from Current to Budget Year. All other increases in administrative costs due to inflation are to be absorbed. Again, we are pleased to be here and welcome this opportunity to answer questions regarding the Commission's operation.

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1/ During Fiscal Year 1982, the Commission reviewed 14 master plans and master plan modifications for Federal installations, 73 Federal site and building plans and plans for developments in the park, parkway, and other open space in the National Capital, three District of Columbia master plans and site and building plans, 26 street and alley closings, and three transfers of jurisdictions. Twelve sector plans for portions of local jurisdictions in the Region and 80 applications for Federal grants involving land or water use in the Region also were reviewed to determine potential impacts on Federal interests. At the request of the District of Columbia Government, the Commission prepared and adopted eleven modifications to the urban renewal plans for various project areas.

## ADDITIONAL COMMITTEE QUESTIONS

### VISITORS AND TOURISM ELEMENT

What is the timetable for the completion, circulation, and adoption by the Commission of the Visitors and Tourist element of the Comprehensive Plan?

The Visitors and Tourist element will establish planning guidelines and policies for visitors facilities at Federal sites in the National Capital. Visitor's surveys will be conducted during the 1983 summer tourist season in cooperation with other Federal agencies. A draft of the element will be prepared in the fall of 1983 and circulated for public review and comment at the end of the year for a 60 to 90 day review period. Adoption is anticipated in the spring of 1984.

### PRINTING OF THE FEDERAL ELEMENTS

With Historic Preservation, Open Space, and Visitors and Tourism, and a revised Foreign Missions element yet to be adopted and finally printed, why does the agency's request for printing and reproduction decrease $50,000 from the 1983 level of $70,000?

Of the seven (7) Federal Plan elements identified by the Commission, including Open Space and Preservation and Historic Features, five have already been adopted at this writing. We anticipated that all seven will be adopted by the end of this year. This means that the preponderence of printing will occur this fiscal year and we can reduce spending for printing in FY 1984.

### REVISIONS OF THE FOREIGN MISSIONS ELEMENT

How will the revisions of the Foreign Missions element of the plan which was not foreseen, interrupt the timetable for the adoption of other plan elements? What is the timetable for its revision, circulation, and adoption?

The revisions to the Foreign Missions and International Agencies element will extend the timetable for the preparation and completion of the Visitors and Tourists element, in particular, due to the necessary reallocation of staff resources. It is anticipated that approximately two to three months will be required to revise the Foreign Missions element and prepare it for curiculation for public review and comment for a 60 day period. Adoption is anticipated in the fall of 1983.

### DEVELOPMENT OF THE COMPREHENSIVE PLAN

How much staff time (number of full-time positions) is devoted exclusively to the development of the Comprehensive Plan? Are the Comprehensive Plan elements printed in the Federal Register pursuant to the Administrative Procedures Act? If not, why not?

Five professional staff members and a secretary are assigned to the Planning and Programming Division which has primary responsibility for preparation of Federal elements of the Comprehensive Plan. Members of other divisions provide technical assistance or support services as necessary to assist in the preparation of the Plan elements.

Plan elements are not published in the Federal Register since preparation and adoption of Federal elements of the Comprehensive Plan are not rule making within the meaning of the Administrative Procedures Act.

## SHIFTING FEDERAL EMPLOYMENT TRENDS

Does the Federal Facilities element address shifting trends? What proposals does it make to manage the existing federal building space in the region and to grow smaller gracefully?

The Federal Facilities element responds to the shift in past employment trends and the forecast of declining numbers of Federal employees in the region in several ways. It calls for a reduction in the number of employees housed in leased space from the current 30 percent to 20 percent of the total Federal employees in the region - a reduction of 1/3. It also calls for more efficient use of existing Federally owned sites and buildings. Therefore, no new Federal employment sites are proposed in the Region.

Planning targets are established for employment levels at major Federal employment areas in the region to guide employment changes and promote effective use of existing buildings and installations. Impact studies and the careful phasing of any relocations are called for to reduce adverse impacts on Federal employees and local jurisdictions.

## IMPLEMENTATION PROPOSALS FOR THE COMPREHENSIVE PLAN

What specific implementation proposals for the Comprehensive Plan is the Commission proposing to work on in FY 1984?

The policies and proposals of the Comprehensive Plan will be implemented by Federal agencies in the preparation of detailed plans and the execution of specific projects; by the guidance the Commission provides in its review of these plans and projects; and through the Commission's Federal Capital Improvements Program.

The stated purpose of the Federal elements of the Comprehensive Plan is to provide guidance to:

(a) the Commission, in its review of Federal agency Plans and programs in the Region;

(b) the Commission, in its Federal interest review of District elements of the Comprehensive Plan;

(c) Federal agencies in their planning of Federal facilities;

(d) local, regional, and state agencies, in the preparation of their plans and programs in the Region which may affect Federal interest or functions of the Federal Establishment in the National Capital, and the Commission, in its Federal interest review of such plans and other public and private proposals; and

(e) professional, business, special interest and community groups, and individuals that provide services, relate to, or have a interest in the activities of the Federal government.

## PROJECTS

How many Federal agencies regularly comment on plans and projects to come before the NCPC? Which agencies are the most frequent commenters? How often do they appear before the Commission in person?

Twenty Federal departments and agencies regularly comment on plans and projects that come before the Commission. These agencies have facilities and development programs in the National Capital Region which require submissions to the Commission and which also contribute to the interest on the part of these agencies in the plans and projects of other agencies before the Commission. The National Park Service, the agencies and departments within the Department of Defense. The General Services Administration, and the U.S Postal Service have the largest inventories of existing facilities and the largest development programs in the region, resulting in the most frequent appearances and comments by these agencies. Many of the Agencies appear in person monthly, reflecting the frequency of their project submissions to the Commission. Other agencies appear less frequently, from an average of one or less appearance to several appearances per year, also generally reflecting the frequency of their submissions to the Commission.

## CAPITAL IMPROVEMENTS PROGRAM

How many full time staff are assigned to the Federal capital improvements program? What use is made of the Federal Capital Improvements Program for the National Capital Region document by other agencies? The Congress? The Commission?

Two staff members are assigned full time to the program. Agencies with projects included in the program use it to coordinate their development projects at a program stage among affected Federal agencies and with state, regional, and local governments and organizations in the National Capital Region. The non-Federal organizations involved in this coordination use the program to help evaluate the plan to accommodate impacts that may result on their jurisdictions and interests. The Office of Management and Budget uses the program as a long-term framework for the review of annual capital budget requests and as a basis for learning about local and regional issues that may affect specific capital budget requests. For Congress, the program also provides a long-term capital program framework and planning evaluations within which individual annual capital budget requests may be evaluated. The Commission uses the program as a major tool for guiding and coordinating the implementation ot the Comprehensive Plan for the National Capital, the long-range system plans of individual Federal agencies, and the master plans for Federal facilities and installations in the Region.

## POSSIBLE CIP IMPROVEMENTS

How could its (CIP) use be improved? Should it be abandoned? How many capital improvements program requests of Federal agencies does the Commission anticipate reviewing for FY 1984?

The program can be improved by making additional potential users, such as citizen groups and the business community, more aware of the opportunity offered at the program stage to begin coordination on projects in which they have a interest, allowing their interests and concerns to be considered at the earliest possible time. It can be further improved by insuring that Federal agencies routinely consider all of their future needs and submit comprehensive and complete program requests to the Commission, and also by insuring that the program contains significant development proposals rather than minor maintenance type projects. The Commission has taken, and will continue to take, steps to implement these improvements of coordinating development proposals early in the planning stage, and making adjustments in such proposals where necessary, before major investments in costly architectural designs have been made. In addition, the FCIP facilitates coordination which helps to insure that local communities will be ready to provide needed services when new Federal projects are constructed. A total of 184 projects were submitted by 17 Federal agencies for the FY 1984-1988 program.

## PROGRAM ACTIVITIES

According to your budget justification, $20,000 is estimated for miscellaneous contracts. The Visitors and Tourism element of the plan has not been adopted and it seems likely this activity will require substantial market and visitor surveys, as little data currently exists. Will the majority of this $20,000 be used to fund contracts for the Visitors and Tourism element? For the record, provide a list of all contractors and the amounts.

It is anticipated that the majority of the $20,000 for Experts and Consultants will be used for the Visitors and Tourism element. Since FY 1984 funds have not yet been appropriated, we have not even begun to seek bidders. This effort will probably be made in November or December of this year.

## 14% BUDGET INCREASE

Your 1984 budget represents a 14 percent increase over 1983. Why? Should the Commission not be attempting to maintain the same appropriation level as last year and affecting economies in personnel strength to achieve this?

Basically the 14% increase were in areas over which the Commission had little or no control: (1) The GSA Standard Level User Charge (SLUC) and (2) The full effects of the October 1982 4% civilian pay raise as well as the cost of lifting the "pay cap" on Executive and senior level salaries in December of 1982. (In FY 1983, only a portion of these increases were reflected in the budget).

The 14% increase between FY-1983 and FY-1984 would actually have been higher if the Commission had not: (1) undertaken to trim the staff by 2 full-time positions between these two budget years, and (2) reduced our printing budget from the normal $70,000 in FY-1983 to $20,000 in FY-1984.

## SENIOR EXECUTIVE SERVICE POSITIONS

Justify the five Senior Executive Service positions for a 46 member staff. This is a very low 1 SES to 9 staff ratio. Are that many SES personnel really needed?

Does the Commission review and approve staff grade levels, performance, bonuses and the like? Why or why not?

Name each staff position and any bonus or merit increase which it received in FY 1983. Include the dollar amount of the bonus or increase and justification for the increase.

Why is the average grade so high (GS-10)? Shouldn't it be reduced?

The General Accounting Office recently made a complete study of our Commission's administrative and personnel practices in the context of an overall audit lasting over 6 months during FY-1982. Also a special committee of the Commission reviewed our personnel staffing patterns. The results of both independently conducted efforts supported the conclusion that while a 1 to 9 SES ratio is somewhat high, it was fully justified since (1) smaller independent Federal agencies generally have requirements for the same higher level interfaces with Congress, the OMB, the OPM, etc. that larger agencies have even though their staffs are significantly smaller, and (2) when compared with a number of other agencies, boards and commissions, of similar size, GAO found NCPC's SES ratio to be more or less typical, and in keeping with the organization's unique mission.

The Commission has never reviewed and approved staff grade levels, performance ratings, bonuses, etc. Since it meets only twice a month and has a full schedule of program and policy considerations for those two days it has, throughout it's decades of operation, wisely delegated the day-to-day administrative operations of the Commission staff to a fulltime Executive Director. This method of day-to-day, on the spot, management has proven to be both successful and appropriate since most of the appointive members of the Commission have little inclination or time to involve themselves in the non-policy making support activities of the Commission. They are at the Commission offices only two days a month.

No staff member have received any bonuses, cash awards or quality step increases to date in FY-1983.

The average grade of the NCPC staff is being gradually reduced. Here again, the small size of the Commission staff with its continued need for a number of highly skilled technical experts probably contributes to an average grade which although higher than some agencies is, according to the GAO audit, in line with other specialized agencies.

## PERSONNEL BENEFITS

Detail the proposed expenditures for personnel benefits of $168 thousand.

Personnel benefits expenditures listed in the budget refer to the amount of money involved in the U.S. Government's contribution to each employee's:

- Retiremment Fund,
- Health Benefits,
- Life Insurance
- Medicare,
- Social Security (if applicable).

It is generally arrived at by taking a standard percentage of payroll costs (in this case, approximately 9 1/2%).

## JOINT COMMITTEE ON LANDMARKS

How much staff time per month is devoted by NCPC staff to support functions of the Joint Committee on Landmarks? Name each staff and the percentage of time per month devoted to the Joint Committee.

The equivalent of one full-time Commission staff member per month is devoted to support the functions of the Joint Committee on Landmarks of the National Capital. The General Counsel and Assistant General Counsel provide legal services to the Joint Committee, the Assistant Secretary to the Commission serves as Secretary to the Joint Committee, the Historic Preservation Officer provides technical services, and a secretary in the Legal and Secretariat Services Section provides Clinical services, as follows:

| | |
|---|---|
| General Counsel | 5% |
| Assistant General Counsel | 30% |
| Assistant Secretary to the Commission | 30% |
| Secretary in the Legal and Secretariat Services Section | 20% |
| Historic Preservation Officer | 15% |

## SPACE RENTAL COSTS

NCPC's Standard Level User Charges (SLUC) are up significantly this year. Why?

Is this based on an assumption that NCPC will move into the Old Post Office Building?

How much floor space does the agency currently occupy and what is the current SLUC charge per square foot?

How much floor space does the agency comtemplate occupying in FY 1984, at what location, and at what SLUC rate per square foot?

Standard Level User Charges (SLUC) are determined by the General Service Administration and applied fairly uniformly to all agencies, who occupy rental space. We understand that in FY-1984, most SLUC charges for government agencies are being increased. No increase had been made in our agencies' charge for three years, so the adjustment is substantial. The increase was to have gone from the $225,000 per year we have been paying to approximately $475,000 for FY-84. In the interest of saving money, and because of a decreasing employment population over the last several years, the Commission agreed to relinquish 3500 square feet of our present office space. This reduced the FY-1984 SLUC cost from $475,000 to $400,000, even though the overall figure increased from FY-1983 levels.

Since GSA was unable to accommodate the Commission as a tenant in the Old Post Office Building, a three year extention to our present lease was negotiated. We, therefore, will remain at our present location for the foreseeable future.

Our present FY-1983 SLUC charge per square foot is approximately $11.05. In FY-1984, the Commission contemplates 17,825 square feet of space at our present location, at a cost of approximately $22.44 a square foot. This figure was determined by GSA and, we understand, would have been the same regardless of where we might be housed.

## PROFESSIONAL DEVELOPMENT AND TRAINING

How much money and how many staff attended professional development, continuing education, seminars, conferences, etc. in FY 1982?

List training, conferences, number of attendees and cost.

Did staff attend a staff "retreat" in FY-1981, 1982, and/or 1983? Where? When? Cost?

Did Commission members also attend? Where? When? Cost?

In order to more clearly answer this question, it is necessary to divide our Commission efforts into three groupings: (1) Ordinary and routine individual training, seminars and professional development, (2) Commission group training efforts, and (3) Organizational planning "retreats".

The first group consists of regular individual training efforts required by law (Executive development, technical job training, etc.). The second type of training refers to a special effort the Commission has made over the last two years to increase productivity by exposing all staff members to group "team building" techniques. This was intensive off-site training performed by a independent contractor suggested by OPM's Federal Executive Institute in Charlottesville, Virginia. The third type of effort is not training, but orientation for new Commission members and oganizational planning conferences for key members of the staff. They occurred on several occasions to familiarize new Commission members during the change in Administrations on the role and functions of the Commission and to facilitate reorganizations necessitated by constantly diminishing personnel resources.

The following breakdown should be helpful:

| FY-1981 | FY-1982 | FY-1983 (to date) |
|---|---|---|
| 1. Routine training seminars & conferences, 18 employees $9,680 | 1. Routine training seminars & conferences, 8 employees $4,905 | 1. Routine training seminars & conferences, 14 employees $6,787 |
| 2. Group training efforts - None | 2. Group training * efforts - "Team Building", 18 employees, 2 sessions, Airlie House, Airlie, VA (10/22-10/23 $1,183<br>Hilltop House, Harper's Ferry, West VA. (11/12-11/14) $1,649 | 2. Group training efforts, * "Team Building", 18 employees, 2 sessions (11/22-11/24 & (11/15-11/17, Cliffside Inn, Harper's Ferry, West VA. $2,650 |
| 3. Planning retreats and orientation sessions, Haines Point (NPS host) 1/581/6, All new Commission members appointed, plus key staff - $100 | 3. Planning retreats and orientation sessions, Airlie House, Airlie, VA 18 employees $1,183 | 3. Planning retreats and orientation sessions None |

*Total contract cost for conducting this training in both years was $11,150.

### TRAVEL

Justify the $10,000 proposed expenditure for travel. Does the agency lease a car? For what purpose? Has the agency compared the costs of leasing a car to reimbursing employees for their own vehicle travel to sites in the region requiring inspection?

How much of the FY-1984 travel budget of $10,000 is planned for staff travel out of town? Out of the country?

How much of the FY 1984 travel budget is planned for Commissioner travel out of town or out of the country?

The $10,000 proposed expenditure for travel consists of three spearate sub-elements e.g. (1) Travel of Commission Members (2) Travel of Commission Staff and (3) Vehicle Rental.

Travel of Commission members is budgeted at$1,000 and is currently used primarily to reimburse members for the costs of local travel to commission meetings or for other official business. Since there are no current Commission members who reside outside of the Washington Metropolitan area, travel funds are now seldom used for members to travel outside of town and none have been used to travel out of the country (In the past, some Commission members resided far from the Washington area and their travel costs to attend meetings had to be funded under this category).

Travel of Commission staff is budgeted at $6,000 and is used for both local and out of town travel. None of these funds is planned for out of country travel (such travel in recent years has been limited to one or two planning meetings in Canada). Out of town staff travel has two major purposes (1) attendance at planning meetings and seminars, and (2) travel to training sites (e.g. Federal Executive Institute in Charlottesville, Virginia or other sites arranged by either the Office of Personnel Management or other training organizations).

Vehicle Rental is budgeted at $3,000 and is primarily for the use of a leased vehicle from the GSA interagency motor pool. A sedan is assigned to the Commission on a long-term basis (another may be leased on a short-term basis when the regular sedan is either undergoing repairs or an urgent requirement arises). One vehicle is absolutely necessary to help transport bulky maps and models to certain meetings, to transport staff to meetings at locations in the Washington region not easily reached by public transportation, and for picking up and delivering urgent communications at Capitol Hill, OMB, and at planning organizations in the area. Often our employees do use their own private vehicles for Commission business on a mileage reimburseable basis, but this does not obviate the need for a Commission vehicle.

## OTHER SERVICES

What is "other services" in your budget? Explain.

"Other Services" consists of a variety of services meeting the definition of Object Class 25 in OMB Circular A-12. Specifically, these services are: (1) Payroll Services (contract with GSA) (2) Health Services (contract with Public Health Service). (3) Reporting Services (contract with reporting service for recording of Commission Meetings). (4) Miscellaneous GSA (reimbursable services provided by Public Building Service). (5) Machine Maintenance (maintenance contracts on purchased equipment). (6) Training and Tuition (payments to OPM or other governmental or nongovernmental organizations for training of employees). (7) Miscellaneous Expenditures (any expenditures which cannot be accurately classified under another category).

## CITIZEN PARTICIPATION & INTERGOVERNMENTAL LIAISON

What is the total amount of consultant and contract services spent by Sterling Tucker and Associates by year. What was the nature of the services performed? Was a report prepared? How did this contract improve the agency's intergovernmental relations? Did the Commission approve this contract? Does it approve all contracts over $2500? What is the policy for Commission approvel of contracts?

Sterling Tucker and Associates received $19,950 in FY 1981, and $9,400 in FY 1982, for a study relating to improving citizen participation and intergovernmental liaison procedures as they relate to the Commission's planning for the future growth and development of the National Capital Region. A series of reports were prepared by the contractor and submitted to the Commission staff. Ideas and suggestions in the reports were very helpful and were instrumental in the establishment of the COG/NCPC Ad Hoc Committee which formulated guidelines to foster better intergovernmental relations. Although the Commission did not specifically approve the contract, it was briefed on the need for, method of procuring and the nature and extent of the contract, prior to its being signed. While it has not been policy to seek specific Commission approval in advance, usually the negotiation of a substantial contract is a result of Commission policy initiatives and members are involved in the direction of the effort.

## 1952 PLANNING ACT

Does the Commission believe there is any need to revise the 1952 Planning Act in view of the 1973 Home Rule Act and the creation of the Pennsylvania Avenue Development Corporation?
If so, what changes does the commission consider appropriate?

From time to time the Commission has considered the need to amend the National Capital Planning Act of 1952 in view of the Home Rule Act and the creation of the Pennsylvania Avenue Development Corporation. The Commission has particularly discussed the composition of the Commission, extension of its "in lieu of zoning" jurisdiction over Federal public buildings in the District of Columbia to all Federal developments in the National Capital Region, and approval or review authority over major acquisition of Federal space in the Region by leasing. The "current" Commission has not recently considered such amendments.

What is the total cost of producing the Federal Facility Photomap Series? Who uses it? The Commission?

This project would result in the production of a relatively large scale photo-map series covering all the Federal facilities in the National Capital Region. The series would be basically derived from the photography received as a result of the recent COG/NCPC map revision contract. The principal purpose would be to enhance the Federal review process. The Commission staff would be the main user, although other agencies and jurisdictions involved in a specific Federal project would have access. The total cost should not exceed $7,500.

Why is NCPC undertaking land use, circulation, and related master planning for the Beltsville, area, rather than the federal agencies located there?

The Beltsville Federal Area is made up of a high concentration of Federal facilities: Beltsville Agricultural Research Center (BARC), Food and Drug Administration, Treasury-Secret Service Training Patuxent Wildlife Refuge Center NASA. The facilities in this area are faced with many serious planning problems regarding regional highway system proposals, efficient and effective use of Federal land areas and their future need, and environmental conditions effecting facility operations and programs. Although some agencies have prepared master plans for their facilities in this area, many of these plans are 10 or more years old. These agencies and others in the Beltsville area are being encouraged to update and/or produce coordinated master plans for their respective facilities. The Commission does not intend to prepare master plans or duplicate other agency efforts.

The Commission's planning efforts would focus on preparing long-range planning policies and plans for the overall Beltsville Federal Area to provide a coordinative framework for the individual Federal agencies to plan for their separate installations and to provide a guide for local, regional, and state agencies in preparing plans that affect the Federal properties. The Commission's efforts would serve to coordinate Federal agency plans with other Federal installations as well as with other governmental planning units.

## SUBCOMMITTEE RECESS

Senator McClure. Thank you very much. I appreciate it.

The subcommittee will stand in recess until 2 p.m., on Thursday, March 17, when we will hear testimony from the Minerals Management Service and the Advisory Council on Historic Preservation.

Thank you very much.

Mr. Griffith. Thank you.

Mr. Hromanik. Thank you.

[Whereupon, at 2:16 p.m., Wednesday, March 16, the subcommittee was recessed, to recovene at 2 p.m., Thursday, March 17.]

# DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1984

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TUESDAY, MARCH 22, 1983

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, D.C.*

The subcommittee met at 2:25 p.m., in room SD-138, Dirksen Senate Office Building, Hon. James A. McClure (chairman) presiding.

Present: Senator McClure.

## DEPARTMENT OF THE INTERIOR

### BUREAU OF LAND MANAGEMENT

### STATEMENT OF ROBERT F. BURFORD, DIRECTOR

ACCOMPANIED BY:
- GARREY E. CARRUTHERS, ASSISTANT SECRETARY, LAND AND WATER RESOURCES
- JAMES M. PARKER, ASSOCIATE DIRECTOR
- DELMAR D. VAIL, DEPUTY DIRECTOR FOR LANDS AND RENEWABLE RESOURCES
- SANDRA L. BLACKSTONE, DEPUTY DIRECTOR FOR ENERGY AND MINERAL RESOURCES
- ARNOLD E. PETTY, DEPUTY DIRECTOR FOR MANAGEMENT SERVICES
- ROGER L. HILDEBEIDEL, CHIEF, OFFICE OF BUDGET

#### PREPARED STATEMENT

Senator McCLURE. Good afternoon. Today, we will review the budget request for the Bureau of Land Management for fiscal year 1984, not including the land acquisition program, which will be reviewed April 27, 1983.

The total request for BLM is $522,449,000, an increase of $15,087,000, a 3-percent increase over fiscal year 1983 appropriations to date.

The Bureau also has a fiscal year 1983 pay supplemental of $5,252,000 pending before the committee, as well as a fiscal year 1983 supplemental for $45 million for firefighting and rehabilitation expenses today.

Today's lead witness will be Mr. Robert F. Burford, the Director of BLM. I want to welcome you again before the committee. You're always welcome here. Your statement will be inserted in the record in its entirety at this point.

[The statement follows:]

## STATEMENT OF ROBERT F. BURFORD

I appreciate the opportunity to appear in support of the President's FY 1984 Budget request for the Bureau of Land Management (BLM). The FY 1984 Budget request furthers this Administration's program for the multiple-use management of the public lands and their resources, and in my view, represents a continuation of our efforts to implement a balanced and orderly approach to the use, development, and protection of these lands which provide a broad spectrum of public benefits.

The Bureau is currently responsible for the protection, management and development of 310 million acres of public lands, including 135 million acres in Alaska. Of these, about 60 million acres in Alaska will ultimately be conveyed to Alaska Natives and the State of Alaska in fulfillment of their entitlements. The Bureau also has full responsibility for mineral leasing and supervision of mineral operations and mining on these public lands, and has minerals management responsibilities for 370 million additional acres of Federal mineral estate underlying other ownerships or surface managing agency jurisdictions. The Bureau is also responsible for the supervision of leasable minerals operations on Indian lands but not for the actual leasing of such lands.

### Merger of Onshore Minerals Functions with BLM

One of the most significant events to strengthen the management of the public lands and resources occurred on December 3, 1982. On that date, by Secretarial Order No. 3087, Secretary Watt transferred from the Minerals Management Service (MMS) to BLM all responsibility for onshore mineral resource evaluation, regulation and lease supervision on Federal and Indian lands, and the "new" BLM came into being. This action consolidated all Federal onshore minerals management functions previously divided between the BLM and MMS (and its predecessor - the Conservation Division of the Geological Survey) into one organization.

I believe that this consolidation of onshore minerals functions will permit the BLM to obtain significant management efficiencies in these programs in the future; and that it will improve the service to both the public and industry. By making one bureau, down to the basic field unit, responsible for all pre-lease and post-lease minerals management activities (including approval of drilling permits and mining plans, inspections, and compliance work for minerals operations on the public lands administered by the BLM) the Bureau's capability is strengthened, enabling it to respond appropriately to the management of both Federal onshore minerals and other resources.

Also, the consolidation integrates multiple-use land management and planning for both the surface and subsurface resources of the 310 million acres of public lands under the Bureau's jurisdiction. This merger is being accomplished as quickly as possible to ensure the minimum disruption in service to the public, and to provide the maximum amount of consideration to those employees affected by the consolidation effort.

By the same Order, the Secretary consolidated all onshore minerals revenue and royalty management responsibilities in the MMS. The MMS will be responsible for both mineral revenue collection and distribution of receipts. As a consequence, beginning in FY 1984 payment of shared mineral receipts to the States (under a permanent appropriation provided for in the Mineral Leasing Act) will be made by MMS rather than BLM.

These consolidations are reflected in the FY 1984 Budget Estimate.

### Summary of FY 1984 Budget Estimate

The FY 1984 budget request for BLM is almost $585 million, a reduction of about $528 million from FY 1983 appropriations of $1.113 billion. The transfer of the responsibility to MMS for the distribution of mineral leasing receipts is the primary reason that BLM's total FY 1984 budget request is significantly below FY 1983 levels.

Of the nearly $585 million requested for BLM in FY 1984, $57.8 million will be paid to the States and their subdivisions as shared revenues and $96,320,000 is requested to continue funding for Payments in Lieu of Taxes (PILT) at the FY 1983 appropriation level. These amounts make up over 26 percent of the total BLM budget. The remaining $430.7 million of the request will finance the operation of BLM's lands and resource management programs. These operating funds will support a level of 10,568 full time equivalent (FTE) employment in FY 1984, an increase of 543 FTE from the FY 1983 budgeted level. This increase is due to the consolidation of the onshore minerals management functions in BLM.

## Receipts

In FY 1984, the Bureau will collect directly an estimated $389,634,000 in revenues from the sale of public land and materials and from leases and fees associated with land and resource management programs. In addition, the Bureau will also contribute to generating nearly $1.7 billion of revenues from onshore mineral leasing activities.

## Management of Lands and Resources

Our major operating appropriation is the "Management of Lands and Resources" (MLR) account, for which we are requesting $352,563,000 for FY 1984. In comparing this request to the FY 1983 amount enacted to date of $330,226,000, there is an increase of $22,337,000, but this comparison excludes funds for the onshore minerals programs transferred from MMS. However, using a more accurate comparison to the FY 1984 base of $371,900,000, which includes the current level of activity for onshore minerals programs transferred from MMS, and adjustments for other transfers, increased pay and other uncontrollable costs, the FY 1984 request is a reduction of $19,337,000.

With the MLR funds, the BLM manages the Federal onshore energy and minerals resources; maintains the public lands records of the United States; makes public lands available for public use and disposal under several legal authorities; manages renewable resources such as timber, forage, wildlife, recreation and water; provides for the survey and resurvey of the public lands; operates a comprehensive planning and data management system in support of resource decisionmaking; and provides for enforcement of laws and regulations and the control of wild fires to protect these resources.

The FY 1984 budget encourages non-Federal investments on public lands, and it emphasizes regulatory changes and changes to administrative processes to improve and simplify decisionmaking.

In addition, FY 1983 supplemental appropriations are requested in the amount of $45 million for emergency firefighting and rehabilitation costs to suppress wild fires on the public lands and protect land resources, and $4,595,000 is requested for additional pay and medicare costs.

I would like to highlight the major items of the FY 1984 MLR request.

### Onshore Energy and Minerals Management

The onshore energy and minerals management program request for FY 1984 is $76,993,000, a decrease of $6,889,000 from the base. This activity includes the functions transferred from the MMS for onshore minerals activities consolidated within BLM. It also reflects the transfer to MMS of $581,000 for the minerals revenue management activities consolidated within MMS.

The Energy Resources subactivity includes four program elements. These are: oil and gas, coal, geothermal and oil shale/tar sands. Funds are requested within the total amount for each program element in FY 1984 for both the leasing aspect of each program, and the regulation and supervision of operations formerly performed by MMS.

For the oil and gas program, the request is for $37,267,000, an increase of $711,000 over the FY 1984 base. This increase will provide for more post-lease activities and on-the-ground inspections. In FY 1984, the BLM estimates that it will issue 30,400 onshore oil and gas leases, conduct 40,000 inspections, remain current on lease applications for BLM lands and continue to work with other agencies to help eliminate their oil and gas applications backlogs. We will also hold one competitive lease sale in the National Petroleum Reserve - Alaska.

The FY 1984 request of $18,248,000 for the coal program represents a decrease of $6,650,000 from FY 1984 base. The Bureau is shifting emphasis from pre-sale data collection to post-sale evaluation and compliance. Activity planning will be conducted to support one first and four second-round coal lease sales that will be held in five coal regions in FY 1984, plus one second-round sale scheduled in FY 1985.

For the geothermal program, the FY 1984 request of $3,197,000 represents a reduction of $850,000 from the base. The Bureau has accelerated lease application processing, established a list of standard stipulations and developed more efficient pre-lease environmental review procedures thereby eliminating most of the leasing backlogs involving BLM and Forest Service administered lands. For FY 1984, priority will be given to authorizing post-lease exploration and development proposals, holding Known Geothermal Resource Area (KGRA) sales, processing new lease applications, and making previously leased lands available for re-leasing.

The FY 1984 oil shale/tar sands request of $2,666,000 is a reduction of $2,100,000 from the base. Initial program efforts necessary to establish procedures and guidelines for a permanent oil shale leasing program have been accomplished. There are currently four prototype oil shale leases which require operational supervision and environmental monitoring. Preparations will be made to hold one permanent oil shale lease sale in October 1984. No tar sands leases are in effect at this time but we do anticipate conducting a tar sands lease sale in May 1984, and to be issuing combined hydrocarbon leases in designated special tar sands areas.

The FY 1984 request for the Nonenergy Minerals subactivity is $15,615,000, which is an increase of $2 million over the base. Additional emphasis will be placed on minerals assessment and classification and on processing applications and permits in FY 1984. Of the total increase, $500,000 is requested to process additional mineral patent applications, and perform additional surface management work, compliance inspections and resource assessment. The other $1.5 million is requested to perform mineral examinations necessary for the land sales initiative. The funds requested in this subactivity also include funds for regulation and supervision of leasable nonenergy minerals on public lands, acquired lands and Indian lands formerly performed by MMS. These amounts are included in the total funds requested for nonenergy mineral leasing and uranium operations program elements.

## Lands and Realty Management

The FY 1984 budget request of $40,920,000 for lands and realty management is an increase of $3,545,000 above the FY 1984 base. This includes a $4.4 million decrease in realty operations for rights-of-way processing which results from our policy to have applicants reimburse the Federal government for more of the costs of both energy related and nonenergy related rights-of-way processing. This reimbursement is reflected as an increase in the Service Charges, Deposits, and Forfeitures appropriation.

An increase of $3,564,000 is included in this request under the nonenergy realty program for Phase II of the Automated Lands and Minerals Record System.

When operational, this system will supply more timely and accurate information on public land status and on pending applications for lands and minerals uses. Also, a total of $6,500,000 is identified in realty operations for accomplishing land pattern adjustments and conducting additional FLPMA land sales under the land sale initiative. We will continue to emphasize our efforts to make parcels of Federally-owned land available to meet expansion requirements of communities throughout the West. In FY 1984 efforts will also be continued to convey lands where appropriate through FLPMA sales, exchanges and Recreation and Public Purposes Act transfers. A total of 250,000 acres is expected to be offered for sale under this initiative.

Funding for the Alaska lands realty program is $12,183,000, the same as the FY 1984 base, and will provide for meeting the State of Alaska's priorities for conveyances under the Statehood Act, issuing interim conveyances or patents on 4 million acres to native corporations, and processing 2,500 native allotments.

There is a reduction of $905,000 in the withdrawal processing and review program resulting in a request of $3,529,000 for FY 1984. This does not represent any deviation from our commitment to meet the 1991 deadline that Congress has mandated for completing withdrawal reviews. Most BLM withdrawal reviews will be completed in FY 1983, and in FY 1984 we will be reviewing other agencies' withdrawals. The FY 1984 base also includes $605,000 for the waterpower classification function transferred to us from MMS as part of the merger of onshore minerals functions. The purpose of this program is to classify Federal lands with significant water and power potential. Classifications are made to protect potential water and power resources from encumbrance and uses which would destroy site values. This budget request reflects the absorption of the waterpower classification program within other MLR programs including withdrawal review.

## Renewable Resources Management

The FY 1984 request for renewable resources management is $85,212,000, a reduction of $21,050,000 from the FY 1984 base. This reduction reflects a continuation of our policy to improve efficiency in operations. We have introduced efficiencies into renewable resource management by streamlining the more intricate procedures of resource inventory and activity planning, and by decentralizing the decisionmaking to those managers closest to the problems on the ground. State and local governments and private users are encouraged to assist in funding programs of predominantly local interest. This concept is most pertinent to grazing, recreation, cultural and wildlife programs where costs can be shared with State and local governments. For example, livestock operators will be encouraged to undertake range improvements on public lands using private funds, and are assuming the responsibility for maintenance of structural-type range improvements, such as fences, water systems, and the like.

Looking more specifically at these programs, a $400,000 increase above the base is requested for public domain forest management to implement additional sound harvesting and management practices including planting, thinning, site and stand work and pest control on 1.5 million acres of public domain commercial forest land. The FY 1984 sales objective on lands outside Western Oregon is 92 million board feet with an estimated sale value of $8.1 million. The FY 1984 request for forest management is $6,112,000.

In the wild horse and burro program, the reduction of $500,000 below the base is the result of an expected reduction in costs of holding animals prior to adoption. With reduced adoption fees, we expect more adoptions to occur and animals will remain in the corrals for shorter periods of time thus reducing feed costs. This FY 1984 budget request of $4,474,000 provides for the removal of 9,100 animals and adoption of 5,200 animals.

The FY 1984 budget request also includes $27,660,000 for grazing management, a reduction of $7,400,000 below the base; $11,595,000 for soil, water and air, a reduction of $5,300,000; and $10,515,000 for wildlife habitat management, a reduction of $4,750,000. These decreases result largely from reductions in the amount of intensive resource inventories and project development work to be done in these subactivities. We have shifted emphasis from costly one-point-in-time inventory data collection to a more cost effective program of baseline inventories backed up by an increase in multi-year monitoring and resource condition evaluation.

In the grazing management program, we are categorizing allotments to ensure that funds are invested where improvements are needed most and returns to the public are highest, and maintenance of range improvements is assigned to livestock operators where they are the primary beneficiaries of such improvements. By continuing to implement a cost/benefit analysis of each project development proposal and adhering to approved land use plans, we intend to make the best use of all available dollars.

In our recreation management program, the FY 1984 budget request is $17,410,000, a reduction of $1,550,000 from the base. In previous years, the BLM transferred funds to the U.S. Geological Survey and Bureau of Mines to conduct mineral surveys in BLM wilderness study areas being recommended as suitable for inclusion in the wilderness system. Beginning in FY 1984, the GS and Bureau of Mines will request the funds for these mineral surveys directly, and the BLM FY 1984 base has been reduced by $4.5 million, which was the current level of funding. We are continuing interim wilderness management on about 24 million acres, pending completion of wilderness environmental impact statements/wilderness study reports and suitability recommendations. The budget for wilderness is $600,000 below the base because of program efficiencies in study procedures and BLM mineral assessment work.

Within the recreation management subactivity, there is also an increase of $300,000 above the base for the cultural resources program. These funds, together with the redirection of $2.2 million of base funds for the cultural resources program will allow the BLM to undertake necessary cultural resource inventories in consultation with State Historic Preservation Officers and the Advisory Council on Historic Preservation, to determine the significance of cultural resources located on lands that are scheduled for sale, exchange or transfer to other government agencies. The proposed reduction of $1,250,000 in the recreation resources management program reflects a declining need for new ORV designations as most of the critical areas have been designated, and a concentrating of ORV management efforts on 24 million acres of the most intensively used areas. The BLM will be actively seeking opportunities to rely more heavily on state and local entities to assist the Bureau in managing recreation use or in actually assuming responsibility for recreation areas and sites which are largely of state or local significance.

In the fire management subactivity, the request of $7,446,000 is a reduction of $1,950,000 which will be achieved by postponing the second phase of the Initial Attack Management System.

## Planning and Data Management

The FY 1984 budget request for the planning and data management activity is $25,905,000, an increase of $2,480,000, to support Federal land management programs, the accelerated FLPMA land sales initiative, land pattern adjustments, rights-of-way authorizations, and other management actions; and for ADP development work on the Automated Lands and Minerals Records System. The increase of $3,100,000 in the planning subactivity will permit the BLM to start 25 additional MFP amendments in support of land pattern adjustments and land disposals.

## Cadastral Survey

For cadastral survey, the FY 1984 budget request includes $20,847,000, a decrease of $1 million from the base. Of this amount $10,140,000 will be spent for surveys in Alaska, the same as the base level. The Alaska survey program is directed primarily to meet the requirements of the Alaska Statehood Act, the Alaska Native Claims Settlement Act, and the Alaska Lands Act and a commitment to complete the required surveys in a reasonable period of time. The remaining $10,707,000 is requested for surveys in the other states which are necessary for energy development, resource management, land disposals and exchanges and resolution of occupancy trespass cases. The decrease of $1 million reflects a reduction in lower priority survey work in the states other than Alaska.

## Technical Services

The Technical Services activity request of $11,777,000 provides for resource protection, facility maintenance, and engineering services. Of this amount, $2,036,000 is requested for resource protection to ensure compliance with Federal laws and regulations governing the management, use, and protection of the public lands and resources, enforcing both Federal and appropriate state and local laws and to protect both the natural resources and visitors to the public lands from unlawful activities. The $9,741,000 request for maintenance and engineering services represents a reduction of $1,380,000 from base. At this level of funding, essential maintenance on BLM-owned buildings, roads and recreation facilities will be accomplished.

## General Administration

The FY 1984 budget request for general administration is $86,159,000, an increase of $4,957,000 over the FY 1984 base. Of this increase, $1,923,000 is requested for administrative services and support to provide for adequate financial and procurement operations to ensure compliance with the Prompt Payment Act, right-of-way cost recovery effort, onshore minerals management merger, and contracting support for the accelerated FLPMA lands sale initiative. An additional increase of $3,034,000 is requested for the relatively uncontrollable fixed costs of postage, telecommunication services, unemployment compensation and employee relocation expenses. The general administration program provides essential administrative support for the majority of the BLM operations, including those financed from the three major accounts (MLR, Oregon and California Grant Lands, and Construction and Access). In addition it includes $41,572,000 of general purpose fixed costs, such as space rental, injured employee compensation, FTS, postage, and other cost items which are impractical to allocate to each benefiting program. These fixed costs account for 48 percent of the FY 1984 amount requested for general administration.

Other appropriations requests in our proposed FY 1984 Budget include the following:

## Construction and Access

The appropriation request of $1,200,000 is entirely for the access program. The Bureau is not requesting any new construction projects in FY 1984. Easements will be purchased to provide the access necessary to get products to market and develop needed resources.

## Land Acquisition

In FY 1984, the Bureau will not initiate any work on new land acquisition projects. The budget request of $130,000 will allow us to make deficiency payments for parcels along the Rogue Wild and Scenic River in Oregon.

## Payments-in-Lieu of Taxes

This budget contains a request of $96,320,000 for PILT, the same level as appropriated in FY 1983. In FY 1984, the budget proposes that PILT payments be deducted from gross Federal mineral leasing revenues prior to distribution of these receipts between the Treasury and the States.

## Oregon and California Grant Lands

The FY 1984 budget request for the Oregon and California Grant Lands (O&C) appropriation is $49,136,000, a reduction of $9,374,000 from the base. In FY 1983 Congress added funds to this appropriation to fully fund the Forest Service administered portion of the O&C lands out of this appropriation rather than out of appropriations made directly to the Forest Service. In FY 1984 the administration of those O&C lands included within the national forests again will largely be funded by the Forest Service through their direct appropriation for the National Forest System, while $2,655,000 is to be provided for the Forest Service from this account.

**The $46,081,000 requested in this budget for BLM will allow the Bureau to continue the programs of timber sales, timber management, reforestation, protection and other resource management actions, as well as construction, easement acquisition and maintenance of facilities on the approximately 2.1 million acres of O&C Grant Lands and Coos Bay Wagon Road Lands that BLM administers in Western Oregon. Planned timber sales for FY 1984 are 1.1 billion board feet. Receipts from Western Oregon timber sales are estimated at $121.8 million in FY 1984. An FY 1983 supplemental appropriation of $657,000 is requested for increased pay costs in the O&C account.**

## Other Accounts

**Our requests for the "Range Improvements," "Service Charges, Deposits and Forfeitures" and "Trust Funds" appropriations are for such sums as are collected or deposited according to the provisions of the law. We have estimated the FY 1984 budget authority for these accounts at $23.7 million, an increase of $1.8 million from the FY 1983 estimate. This change is a net result of an estimated increase of $3 million from additional cost recovery for rights-of-way processing, and a decrease of $1,199,000 in the range improvements appropriation because of lower grazing fees for the 1983 grazing year. The lower fee will result in reduced funding available for the Range Improvements appropriation.**

**Mr. Chairman, this concludes my opening statement. My associates and I are willing to answer your questions to the best of our ability or provide whatever additional information you need to assess our FY 1984 budget request.**

### INTRODUCTION OF ASSOCIATES

Senator McCLURE. If you will introduce your colleagues, those in the supporting cast, and that are with you, then we can proceed with the questions.

Mr. BURFORD. My main support is on my right, Assistant Secretary for Land and Water Resources, Garrey Carruthers; Deputy Director Sandra Blackstone, Energy and Minerals; Deputy Director Delmar Vail, Lands and Renewable Resources; Associate Director, Jim Parker; my Budget Officer, Roger Hildebeidel; and my Deputy Director for Management Services, Arnold Petty.

As you have already stated, this rather lengthy opening statement has been entered in the record. I would also like to present, in case you haven't seen one, "A Year of Progress of the Department of Interior" for the record.

And inasmuch as my statement has been in front of this committee for approximately 10 days, I believe I will dispense with any summarization or anything else, and we can start with whatever questions you would like, Senator.

Senator McCLURE. Thank you very much. We do have a copy of the report. That has already been filed, and I just would make one or two comments about it.

At the outset, I notice the pretty pictures are gone. They are all in black and white now, instead of being in color.

Mr. BURFORD. Economy has hit the Department of the Interior, Senator.

Senator McCLURE. I thought maybe you were looking for substance rather than PR.

Mr. BURFORD. That's quite possible. As you know, the Secretary of Interior is one who is long on substance and short on PR. [Laughter.]

Senator MCCLURE. I'll never tell him you said that.

Mr. CARRUTHERS. I'm glad you said that.

Mr. BURFORD. I think he might be rather proud to have that said about him.

### CHANGES IN THE FISCAL YEAR 1984 BUDGET REQUEST

Senator MCCLURE. Perhaps that's true.

Mr. Burford, the major operating appropriation for BLM is in the "Management of lands and resources" account. Compared to fiscal year 1983 appropriations to date, your fiscal year 1984 request of $352,563,000 is an increase of $22,337,000, or an increase of 7 percent.

However, compared to the fiscal year 1984 base, your fiscal year 1984 request is a decrease of $19,337,000, or down 6 percent.

It looks like what you have essentially done here is transfer $35,025,000 to BLM from the Minerals Management Service, and then made offsetting reductions in the renewable resources management activity of $21,050,000.

This gives the impression that you made these reductions purely for budgetary reasons.

Is that the right conclusion?

Mr. BURFORD. No, sir. As you know, we have been in a continuing mode of streamlining and changing some of our basic assumptions on management of renewable resources. We are changing from an intensive inventory phase to a baseline minimum data gathering system, with monitoring, which allows us to effect considerable savings within our renewable resources programs.

There are some things about this budget that make it a little more difficult to follow than most budgets because of the transfer of the MMS onshore minerals functions to the Bureau of Land Management.

Most of us who are associated with the Bureau, though, feel that that's one of the most significant things that's happened to the Bureau of Land Management over the past several years.

It's something that has been suggested in various GAO reports. It has been suggested by various committees both in the Senate and in the House, and we think that it's a very positive step. The merger will consolidate multiple use responsibilities and integrate all minerals functions in one agency, which will facilitate multiple-use management, and should eventually lead to further savings.

We are also stressing within our renewable resource programs, and in fact, in all of our uses, the New Federalism in that we are urging and soliciting the use of private funds, not only in wildlife habitat, but in the recreation and the grazing program.

And this has allowed us to make some further budget reductions.

RANGE MANAGEMENT REDUCTION

Senator McClure. Let me go through some of these reductions one at a time. First, you are requesting a reduction of $7,900,000, a 20-percent reduction; and 166 full-time equivalents, down 16 percent, for range management activities.

However, I can't tell from your justification, which appears on page 100, exactly what will be cut or why it will be cut.

If you had more money, couldn't you target that money to improve more acres of rangeland?

Mr. Burford. Well, Senator, as you know, I guess, 350 million acres of land in the West are like a sponge, and they could absorb all the money the U.S. Government could put into them.

We could have watering systems which could be spread over every acre of that land, which would probably enhance it in some way.

But there is a limited amount of money available to all of us in any of our endeavors, and we think we have asked for the correct amount of money to protect the renewable resources, nonrenewable resources, recreational facilities, and the wildlife habitats which belong to the people of the United States.

Senator McClure. Apparently, some of the savings are attributable to the elimination of all new allotment management plans.

Why are these AMP's being eliminated?

Mr. Burford. It's just the writing of new allotment management plans that's being eliminated. We are still continuing collecting data and doing inventory at a reduced rate, but we are not writing new allotment management plans.

Senator McClure. Will animal unit months be reduced as a result?

Mr. Burford. We don't anticipate that the forage itself will be reduced. It may, in certain instances. Where an allotment management plan is rewritten, there may be some reductions indicated. There also may be some increases recommended.

If you make a study of the actual animal unit months on which fees have been paid in the past—I went back and looked up those figures for almost 50 years—you will find in 1946, there were approximately 22 million animal unit months of livestock forage use paid for on the public ranges of the West.

And at the present time, it's down slightly in excess of 10 million animal unit months. That represents a decrease of a little over 50 percent in AUM's.

Now, those of us who have been connected with the Bureau of Land Management and have been out there on that range, recognize that a good deal of that reduction was necessary; that at times, land was overstocked; but that's a very drastic decrease in the actual amount of forage produced on public lands in the West and in general.

And I believe that the public lands of the West are coming back, and that we could see an increase in AUM's in the foreseeable future.

Senator McClure. So you don't see the reduction in the AMP's affecting directly a reduction in AUM?

Mr. BURFORD. No, sir.

### MAINTENANCE OF STRUCTURAL IMPROVEMENTS

Senator McCLURE. You are also proposing to shift all maintenance costs for structural improvements to livestock operators by fiscal year 1984.

What do the livestock operators get in return for assuming these maintenance costs?

Mr. BURFORD. Well, actually——

Senator McCLURE. I haven't seen very many of them that really wanted roses.

Mr. BURFORD. Pardon me?

Senator McCLURE. Roses.

Mr. BURFORD. No; that is an attitude, quite possibly, of this administration, that those who benefit from the range improvements, those who benefit from watering improvements, and so forth, should pay for them.

Also there's a certain factor written in the grazing fee formula to take care of the fact that there are not as many range improvements on public lands as there are on private lands.

Senator McCLURE. You know, I have been in favor of allowing the users of public resources to make some of these capital investments for two reasons: First, there's a capital shortage in our Federal budget, and therefore, many of the improvements cannot be made simply because we can't finance them; and second, I believe that if the users make the investment, they will get more for less money.

It will cost less money to put the operator out there with his own crew than it does to hire the Federal Government and their personnel to do it, or get contractors to do it.

But I have always anticipated that that would be charged as an investment against the capital base, and could be offset against the grazing fees that they otherwise will pay if it happens to be a livestock user that's made the improvement.

I would hope that somewhere along the line, we can recognize, too, that those investments are not just for the benefit of the livestock user, that those are multiple-use lands and the investment that is made in many of these capital improvements insures to the benefit of a lot of other people, other than just the livestock grazer.

If that's true, if these capital investments benefit more than just those who graze the land, why should they then bear all of the cost?

Mr. BURFORD. Well, if the primary benefit is for the livestock user, I fully concur with you that they should bear most of that cost.

In some cases, there will be improvements which will benefit the wildlife or perhaps recreation or fishing or something like that; and in those cases, we will encourage State game and fish departments or recreation groups to contribute to whatever improvements are placed on the range.

### INCENTIVES FOR SHARING COSTS

Senator McClure. If the Federal Government starts trying to transfer all of the costs of management back to the States, I'm going to be back in here for more PILT money.

You're not paying your fair share now.

Mr. Carruthers. Mr. Chairman, we sense that the livestock industry and other users of public lands are interested in an incentive structure for them to make these investments.

For example, in the case of acquisition of water rights, for watering animals, those rights could be coheld with BLM if there was a joint investment and/or they could be held by the operator, if, in fact, they make that investment.

Most of what you see in the BLM range program now focuses on this new partnership in range management, where we hope to generate incentives.

The stewardship program, which we are revisiting and for which we have some enthusiasm, addresses that very question. I think if you look at the selective management program in grazing, that, in effect, says that it is better economics for all the range if you put our public dollars and the private dollars where we can get the greatest amount of benefit.

So in my view, what you see in this situation is a better management focus, which does, in fact, involve incentives for the private sector to join in with the Federal Government. As a result, the management responsibilities will slowly shift to the private sector, as, for example, in the stewardship program, where we believe they are doing a better job than we can do as a public agency.

So management is a key to this thing, and the reason we are able to take some money out of the budget.

Senator McClure. Well, I'm sure that you have correctly stated that many of the users of the public lands are willing to accept more responsibility.

But they also expect to get something in return for that, not just a reduction in the amount of overhead that they pay for in BLM.

I hope to work with you in trying to structure that so they can indeed, because I know you put in watering holes, and you sometimes put pipelines in, and sometimes they're not justified, just on the basis of the livestock alone.

But they spread to wildlife, as well, and spread to recreational opportunities, as well. I know, because there are a lot of these watering holes that are pretty good hunting.

So there's a variety of reasons, not only for the grazers. We have been arguing that for many, many years. We said the grazers were ripping off the taxpayer because they're using this land and not paying for all of it.

And now we get back on the other side of that, and it looks like you're saying just the opposite. You've got to pay for all of this, because you're the only ones who benefit from it.

And I don't believe that's what you want to say.

Mr. BURFORD. We don't believe we're going that far, Senator.

Senator MCCLURE. I don't either, but I just wondered how far you intend to go.

Mr. BURFORD. Well, the range improvements which are strictly for the benefit of the livestock are the ones for which we are really trying to transfer the upkeep and maintenance costs to the operator, and encourage them to develop.

There will be cases where, when the improvement benefits other users, the Bureau will continue to put in some Government money or be willing to continue to encourage the participation of local hunting and fishing clubs, and so forth.

We don't care where funding comes from, as long as we get some participation.

Senator MCCLURE. Well, I appreciate your statements. I have referred to page 99 of your justification, and in the clause in the second paragraph, you say, "* * * with responsibility for all structural maintenance costs shifted to the livestock operators by fiscal year 1984."

That's a little less careful a statement than the one you just gave.

Mr. BURFORD. Well, that structural maintenance cost, perhaps, should be more fully defined in that it should be structural maintenance costs that refer strictly to livestock.

Senator MCCLURE. Well, in the preceding sentence, it indicates primary beneficiaries of the structural improvement will pay all of the costs.

That's the way I read those two sentences together. And that's not an appropriate balancing of the public benefit, in my judgment, if the primary beneficiary might be 51 percent, or might be 40 percent, and the rest are smaller subtractions of the total, but they have 100 percent of the cost.

If you read this literally. I understand your response to the question to be somewhat less literal than that.

Mr. BURFORD. That may be a little bit too literal a statement there.

### RANGE INVESTMENT POLICY

Senator MCCLURE. The second point I would like to explore for a moment—before I do that—for several years, your justification has referred to an investment analysis that will guide rangeland improvement funding to the most cost-effective projects.

Has this analysis been completed?

Mr. VAIL. Yes, Senator.

Senator MCCLURE. Would you provide a copy for the record for us, please?

Mr. BURFORD. Yes, sir.

[The information follows:]

## LETTER FROM ROBERT F. BURFORD

October 15, 1982

Instruction Memorandum No. 83-27
Expires 9/30/83

To: All Field Offices (except Alaska and Eastern States Office)

From: Director

Subject: Final Rangeland Improvement Policy

The Final Rangeland Improvement Policy is enclosed. This memorandum supersedes Washington Office Instruction Memorandum No. 81-296, "Proposed Rangeland Improvement Policy," dated March 3, 1981, and Changes 1 and 2 to that memorandum. Change 1, "Rangeland Improvement Policy--Maintenance of Rangeland Improvements and Distribution and Use of Range Betterment (RB) (8100) Funds," is dated September 22, 1981; Change 2, with the same subject title, is dated February 4, 1982.

We intend this policy to serve as a comprehensive guide to the Bureau of Land Management's Rangeland Improvement Program. Included in this statement are the program goal and our policies and procedures for working toward that goal. The enclosed documents also describe the new procedures that all field offices must apply in conducting and documenting investment analyses. State Directors and District and Area Managers are accountable for assuring that these procedures for evaluating, ranking, and scheduling the implementation of improvements are followed.

The rangeland investment policies and procedures represent a balancing of concerns and input from several interests, including the Office of Management and Budget, the Department of the Interior, a special task force of Western University Economists, and personnel from both our Washington, D.C., and field offices. State and District Offices should provide copies of this document to interested groups within their areas. In particular, field managers should work with local university and extension personnel and District Grazing Advisory Boards to help them to understand the procedures and obtain their cooperation in making our improvement program a success.

The investment analysis procedures require that a computer program--called SageRam--be used to provide a consistent basis for cost/benefit and related analyses, and to generate information that must be kept in allotment files. It is currently available in a "file building" format and work is underway to make the program available in a "Query" format in April of 1983. Comparable computer programs that can be used on State Office Level 6 computers, etc., will also be developed.

Since this policy is effective immediately, you should be aware that Analysis Component No. 3, must be used to evaluate all final allotment management plans or other rangeland improvement plans, and to develop Fiscal Year 1984, and subsequent annual work plans. To help in the implementation of this policy the Washington Office Division of Rangeland Resources will explain the policy and procedures at workshops in each State. Direct questions concerning the scheduling of workshops and use of SageRam to the Director (222). The Washington Office Division of Rangeland Resources may also be reached at FTS 653-9210.

Suggestions on ways to improve the investment analysis procedures will be welcome, as actual operating experience is acquired. We currently believe that there is a need to develop a better basis for valuing wildlife and related recreational benefits, comparable to the "willingness to pay" concept that is used to value livestock benefits.

Robt F Burford

Encl. 1-1

## Bureau of Land Management's
## Rangeland Improvement Program Policy

### PURPOSE AND INTENT

This paper describes the goal of our overall rangeland improvement program and our policies and procedures for: (1) distributing and using range betterment funds; (2) encouraging private contributions; (3) assigning maintenance responsibility for rangeland improvements; and (4) evaluating, ranking, and budgeting implementation of investments in rangeland improvements.

The intent of this policy is to: (1) ensure that range betterment funds (8100/8200 accounts) are spent for on-the-ground rangeland improvements; (2) encourage private contributions toward rangeland improvements; (3) reduce the Bureau's maintenance costs by assigning as much maintenance responsibility as possible to the primary beneficiaries of rangeland improvements; and (4) allocate available rangeland improvement funds according to a rational process that considers all benefits and costs (economic, social, political and biological), and places rangeland improvements where they are most needed and will achieve the greatest benefit with the least expenditure of public funds.

## FUNDING SOURCES

The Bureau's rangeland improvement program is supported primarily by two sources from which Congress annually appropriates funds for rangeland improvement work:

Range betterment funds (8100/8200 account) consist of 50 percent of all fees collected by the United States in return for domestic livestock grazing on the public lands (or $10,000,000/year, whichever is greater). These funds are appropriated under the authority of the Taylor Grazing Act of 1934 (TGA), as amended by the Federal Land Policy and Management Act (FLPMA) of 1976, specifically for rangeland improvement work.

Grazing administration funds (4322 account) consist of funds appropriated by Congress under the FLPMA (exclusive of range betterment funds) and the Public Rangelands Improvement Act (PRIA) of 1978.

Throughout this paper, the term "rangeland improvement funds" will refer to both funding sources, unless exceptions concerning range betterment funds are specifically identified.

## PROGRAM GOAL

The goal of the Bureau's rangeland improvement program is to improve the condition of the public lands for multiple use by investing in economically and environmentally sound rangeland improvements.

We will work toward accomplishing this goal by:

1. Ensuring the distribution and use of funds appropriated for rangeland improvements meet the intent of law and comply with the Amended Final Judgment in the case of the Natural Resources Defense Council, Inc., et al. v. Watt, et al. (1978);
2. Delegating decisionmaking authority to the local level so that decisions will respond to site-specific conditions;

3. Encouraging rangeland users and others to participate actively in rangeland improvement efforts through:

a. coordinated and cooperative management, including seeking advice and recommendations from district grazing advisory boards concerning the expenditure of range betterment funds;

b. encouraging private contributions toward rangeland improvements by assigning higher priority to implementing improvements partially or fully funded by private contributions; and

c. providing appropriate recognition and protection of private investments in rangeland improvements.

4. Implementing a maintenance program that will:

a. release more public funds for new improvements;

b. require parties deriving direct and significant benefits from rangeland improvements to be responsible for maintaining the improvements in usable condition; and

c. ensure compliance with maintenance agreements to prevent resource damage, extend the useful life of an improvement for the purpose intended, and protect public and private investments in rangeland improvements.

5. Investing funds appropriated for rangeland improvement work first in areas where improvements will resolve serious resource use problems and produce a positive economic return on investments;

6. Investing in cost-effective improvements that will achieve multiple-use management objectives with the least expenditure of public funds;

7. Avoiding unrealistic expectations of Federal investment in improvement work by eliminating, at the outset, improvements that cannot be justified on economic or environmental grounds or clearly exceed the Bureau's capabilities to finance and otherwise implement; and;

8. Providing a long-term, rational framework through which investment decisions shall be made and documented for the purposes of public involvement and accountability.

## POLICY STATEMENTS

### Distribution and Use of Range Betterment Funds

1. Range betterment funds shall be distributed to the Districts in proportion to the amount of grazing fees collected by each District. State Directors shall have limited discretion in redistributing funds annually, but the amount received by any District Office during a 5-year period must equal that District's full entitlement for that period.

2. Range betterment funds shall be used for on-the-ground rehabilitation, protection, and improvement of the public lands that will arrest rangeland deterioration and improve forage condition with resulting benefits to wildlife, watershed protection, and livestock production.

3. Range betterment funds shall not be used for maintenance of rangeland improvements after Fiscal Year (FY) 1984.

(For Implementation guidance see Enclosure 2-1)

### Private Contributions

1. Permittees, lessees, and other interested parties shall be encouraged to contribute labor, materials, equipment, and/or cash toward the installation, modification, and maintenance of new rangeland improvements authorized through RIP's and Cooperative Agreements.

2. The Bureau shall provide incentives to encourage private contributions and shall provide appropriate recognition and protection of a private party's contribution.

3. The Bureau shall require contributions toward rangeland improvements only to obtain equitable support from permittees or lessees in a group allotment where the majority supports contributions for an improvement but a minority does not; or to enforce the terms of mutual agreements.

4. Pledged or accepted contributions shall be identified with a specific project or management plan. Cooperative agreements shall normally be used to authorize installation of a multiple-use improvement

involving private and public funds. Priority shall be given to implementing improvements constructed under a cooperative agreement.

5. Rangeland improvement permits shall be used to authorize structural improvements primarily benefitting livestock and that are entirely funded by private contributions.

6. Parties to cooperative agreements and rangeland improvement permits shall be liable for their own acts but not for the acts of the other parties.

(For Implementation guidance see Enclosure 2-3)

## Maintenance

1. Parties deriving the primary benefit(s) from a structural improvement shall be responsible for maintaining that improvement. Primary benefits constitute more than 50 percent of the benefits realized. When no party derives more than 50 percent of the benefits from an improvement, or when use of an improvement is required at a time when the primary beneficiary would not ordinarily use the improvement, maintenance responsibility will be negotiated on a proportionate share basis.

2. Permittees and lessees will maintain structural improvements constructed or installed primarily to benefit livestock grazing, and the requirement to maintain these improvements in current usable condition shall become a condition of a permit or lease. The maintenance of improvements not designed for the primary benefit of livestock grazing may be assumed by the Bureau, nonlivestock cooperators, or livestock operators.

3. Where existing cooperative agreements cannot be renegotiated voluntarily, the primary beneficiary of an improvement shall be assigned maintenance responsibility by decision.

4. Failure to maintain improvements to usable standards may result in the withholding of an annual authorization, cancellation of a

cooperative agreement or range improvement permit, and/or eventual cancellation of the permit or lease.

5. The owner of an improvement shall be responsible for reconstructing an improvement or repairing acts of vandalism.

6. The costs of modifying an improvement shall be the responsibility of the party requesting the modification.

(For Implementation guidance see Enclosure 2-9)

Rangeland Investments

1. Appropriated funds available for investment in rangeland improvements shall be allocated:

a. first, to the maintenance[1] of improvements that continue to serve a valid purpose or objective and for which the Bureau has maintenance responsibility.

b. second, for the design, construction, and maintenance[1] of new rangeland improvements that conform with a specific development plan[2] for the area. Such plans may be allotment management plans (AMP's), habitat management plans (HMP's), herd management area plans (HMAP's), or other plans providing a rational decision-making framework for meeting multiple-use management objectives. Usual priority for investments shall be, first, to allotments in the Improve Category; second, to allotments in the Maintain Category; and third, to allotments in the Custodial Category.

Exceptions: Exceptions to the preceding order of priority for investing appropriated funds can occur in situations where:

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[1] Range betterment funds (8100/8200) shall not be used for maintenance after FY 1984. Maintenance costs will be charged to the grazing administration fund (4322 account) when these costs are the responsibility of the Bureau.

[2] A specific type of plan encompassing grazing systems, etc., is not required. These plans may be as brief (1 page) or as lengthy as the situation justifies. Plans prepared by, or in cooperation with other agencies are acceptable. The intent is to assure that a reasoned analysis of allotment objectives and project sequencing occurred.

a. a critical or unique resource value is subject to imminent destruction and a deviation from the priorities established in implementation schedules is necessary to avoid that destruction. This exception applies on a case-by-case basis and funding shall be limited to the amount required to avoid the loss.

b. construction or reconstruction of an improvement is necessary for the operation of an existing management plan. A benefit/cost (B/C) analysis must be completed prior to expending funds for construction or reconstruction of any improvement.

c. construction or reconstruction of an improvement will protect and/or substantially improve forage, habitat, and watershed resource(s) by better distributing grazing use. This exception will be applied on a case-by-case basis, subject to concurrence by the District Grazing Advisory Board that the benefits are substantial and if an investment analysis yields a favorable benefit-cost ratio.

These exceptions may apply in areas where a livestock grazing EIS has not been completed if an environmental assessment indicates that expected impacts are not significant and the improvements are not equivalent to implementing an AMP.

2. In allocating rangeland improvement funds State Directors and District Managers shall apply the Bureau's procedures for evaluating, ranking, and budgeting implementation of all proposed investments in range improvements. All improvements must be compatible with multiple-use objectives. Appropriated funds shall be allocated first to the highest or higher ranked allotments before constructing improvements on lower ranked or unranked allotments. In the development and execution of annual work plans (AWP's) highest priority shall be given to rangeland improvements that will be entirely funded by private or other contributions. A higher AWP ranking may also be given to improvements partially funded by contributions, following consideration of all investment criteria.

3. Once implementation of approved management plans has begun, a mutual commitment exists between the Bureau and the operator to complete implementing the plan. Funds available in subsequent years should be allocated first to the completion of these partially implemented plans. This does not preclude initiating range improvements on other allotments, but completion of existing plans should not totally stop. Schedules for implementing plans should reflect cost savings possible through contracting efficiencies and the logical sequencing of improvements, both within and between allotments.

4. Investment decisions shall be based on the results of three component analyses that use increasingly detailed information available at progressive stages of the planning and budgeting processes.
Component 1 provides a rough estimate of an allotment's economic and resource potential for use in categorizing allotments. Component 2 estimates the B/C ratio for a package of investments proposed for an allotment or area. This analysis must be completed prior to the issuance of a final land-use plan and will provide the basis for developing the implementation schedule for the Rangeland Program Summary (RPS) and RPS Updates, and for out-year budget proposals. Component 3 includes the determination of final B/C ratios for completed management plans and the development of annual work plan (AWP) investment priorities.

5. Field managers shall record the information and calculations used to evaluate, rank, and budget implementation of rangeland improvements. These documents shall be retained in office files and be easily retrievable.

(For Implementation guidance see Enclosure 3)

Encl. 2-1

## POLICY IMPLEMENTATION

### Distribution and Use of Range Betterment Funds
(See Policy Statement on Enclosure 1-4)

Range betterment funds will be distributed to District Offices in proportion to grazing fees collected by each District. State Directors have latitude to redistribute portions of the range betterment funds in consideration of prior commitments, resource conditions, and investment economy. No limits are set on the percentage of funds that may be redistributed each year, but the amounts received by an office during a 5-year period must equal that District's entitlement for the 5 years. Such yearly redistribution, if it is necessary, will be based on evidence that the District which collected the fees cannot make the most beneficial use of its entitlement for the year. The proposed redistribution, with justification, will be included in the AWP submission and approved by the Director. The justification will reflect pertinent results of consultation with users, State and Federal agencies, and other interests as well the recommendations of the district grazing advisory boards.

The FLPMA specifically directs that range betterment funds be expended for on-the-ground rehabilitation, protection, and improvement of rangelands which includes, but is not limited to, seeding, reseeding, fence construction, weed control, water development, and enhancement of fish and wildlife habitat. Use of these funds for other actions or projects is not specifically precluded so long as the actions will clearly arrest rangeland deterioration and improve forage condition with resulting benefits to wildlife, watershed protection, and livestock production. Maintenance of existing improvements is currently an allowable use of range betterment funds, but it is expected that the amount of funds expended for maintenance of structural improvements will decrease significantly as maintenance responsibilities are transferred to permittees, lessees, and other cooperators. Range betterment funds shall not be used for maintenance of improvements after FY 1984.

The following table provides examples clarifying allowable and nonallowable uses of range betterment and other rangeland improvement funds:

Table 1. Examples of Allowable/Non-Allowable Uses of Rangeland Improvement (RI) Funds

| RI Subtasks | Funding Source<br>[1]4322 | <br>[2]8100/8200 | <br>PRIA |
|---|---|---|---|
| Project planning | Yes | No | Yes[5] |
| Survey and design | Yes | Yes | Yes |
| Installation: | | | |
| Contract | Yes | Yes | Yes |
| BLM labor | Yes | Yes | Yes |
| Materials, supplies | Yes | Yes | Yes |
| Equipment use and rental | Yes | Yes | Yes |
| Equipment purchase | Yes | Yes[3] | Yes |
| Vehicle operation | Yes | Yes | Yes |
| Vehicle purchase | Yes | No | No |
| Environ. or cultural reports | Yes | No | No |
| Modifications for special resource considerations | Yes | Yes | Yes |
| Clerical (filing, typing, etc.) | Yes | No | Yes[5] |
| Contract preparation | Yes | No | Yes[5] |
| Contract supervision | Yes | Yes | Yes |
| Maintenance | Yes | No[4] | Yes |
| Reconstruction | Yes | Yes | Yes |
| Water filing | Yes | No | Yes[5] |
| Easements/RW's | Yes | No | Yes[5] |
| Training/workshops | Yes | No | Yes[5] |

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[1] Rangeland improvement funds appropriated under FLPMA, exclusive of range betterment funds.

[2] Rangeland betterment funds appropriated under the TGA, as amended by the FLPMA.

[3] Equipment must be primarily for rangeland improvement work; proposed purchases subject to recommendation of District Grazing Advisory Board.

[4] Not an allowable use after FY '84.

[5] Total limited to 20 percent of PRIA funds.

Table 2 provides general rules of thumb to follow in determining allowable expenditures of range betterment funds.

Table 2. General Rules for Expending Range Betterment Funds

| Kind of Improvement Practice | Allowable Charge |
|---|---|
| Livestock management fence | Yes |
| Spring development | Yes |
| Dam/reservoir/diversions | Yes |
| Pit tank | Yes |
| Catchment | Yes |
| Well/storage facilities | Yes |
| Pipeline | Yes |
| Cattleguards | Yes |
| Corral/chutes | No |
| Dipping vat | No |
| Trails | Yes |
| Brush/weed/pest control | Yes |
| Vegetation manipulation, seeding, planting | Yes |
| Wild horse/burro gathering | No |
| Wildlife improvements (rangeland) | Yes |
| Watershed improvements | Yes |
| Wild horse/burro facilities | No |
| Enclosures | No |
| Research | No |

## Private Investments for Rangeland Improvements
(See Policy on Private Contributions on Enclosure 1-5)

We will encourage permittees, lessees, and other interested parties to contribute labor, material, equipment, and/or cash toward the installation, maintenance or modification of rangeland improvements. District Managers are authorized to offer the following incentives as a means of encouraging private contributions:

### Incentives for Encouraging Private Investment

Investment Protection: Provide appropriate recognition and protection of private contributions through either a cooperative agreement or a rangeland improvement permit. Rangeland improvement permits will be used in situations where full title to the improvement will be granted[ to the contributor. These documents should clearly state the contributor's interest in an improvement in terms of dollars, percent of contributed interest, or other quantifiable terms. The agreement or permit should also specify maintenance responsibilities and other terms needed to document and protect the public and/or private interest in the improvement.

Priority for Implementation: Improvements funded by private contributions shall be assigned a higher ranking when determining a schedule for implementing rangeland improvements of equal economic return.

Emphasize Use of Range Betterment Funds for Cooperative Agreements: District Offices, in consultation with district grazing advisory boards, are encouraged to set aside a percentage of range betterment funds to be used to match private funds.

Plan for Contributions: In some instances, a District Office has declined contributions because the proposals required the Office's assistance or involvement, and the required work was incompatible with the Office's AWP. District Offices shall plan workmonths and specialists' time to accommodate contributions. The District staff shall advise potential contributors of schedules to be met if the proposed improvements are to be included in an AWP.

Identify and Remove Undue Constraints: District Offices should work to identify and remove undue constraints that may discourage private and cooperative improvement efforts by streamlining reports, plans, and other paperwork and allowing minor deviations from usual procedures and standards so long as multiple-use objectives will still be met.

Priority for Livestock Forage Increases: The Bureau shall, under 43 CFR 4110.3-1, allocate increases in permanently available forage for livestock use to permittees or lessees in proportion to their contributions which resulted in the increased forage production. Available forage which is declined by cooperators may then be allocated to; (a) other operators in the allotment in proportion to their preferences or (b) other users.

## Procedures for Accepting Private Contributions

The following procedures apply to all forms of contributions; however, nothing in this policy should be construed as altering current procedures for accepting deposited contributions.

District Managers may accept contributions of cash, labor, equipment, and materials under the authority of Section 9 of the TGA and Section 307(c) of the FLPMA. Contributions shall be accepted only at the implementation stage, i.e., after the necessary job planning and project layout has been completed. Contributions for new work should not be encouraged or accepted in an area where an activity plan has not yet been developed unless the proposed projects will provide immediate and needed resource protection. Contributions will be identified with a specific project or management plan.

Improvements authorized by permits or agreements must follow standard Bureau procedures for planning, budgeting, design, and environmental considerations. Stipulations and conditions should be developed and included to address specific situations and needs.

The need to prepare an environmental assessment (EA) for an improvement will depend on the source of funding and the nature of the improvement. For rangeland improvements to be constructed with grazing management (4322) or range betterment (8100/8200) funds, District personnel should consult the Bureau's list of categorical exclusions to see if the proposed improvement is categorically excluded. Certain analyses and resource clearances (e.g., threatened and endangered species or cultural resource clearances) may still be required for categorially excluded jobs. Environmental assessments must be prepared for any improvement to be financed by PRIA funds. When an assessment demonstrates an improvement will not have a significant impact on the human environment, that improvement may be implemented prior to completion of the EIS required for the grazing area.

Environmental analysis, design approval, and resource clearance costs will be borne by the Bureau and charged to grazing administration

(4322), unless the cooperator offers to bear all or part of these costs. All efforts must be made to accommodate permit and agreement applications, so long as those applications are compatible with multiple-use plans and objectives and can realistically fit into an Office's AWP.

Cooperative Agreements: Cooperative agreements (Form 4120-6) will normally be used to authorize installation of multiple-use improvements involving joint private/public expenditures. All nonstructural improvements partially or fully funded with private contributions will also be authorized through cooperative agreements because title to the improvement cannot be separated from title to the land.

Rangeland Improvement (or Section 4) Permits (RIP's): Rangeland Improvement Permits (Form 4120-7) will be used to authorize installation of structural improvements totally financed by permittees and lessees and that are constructed primarily to benefit livestock management. As with cooperative agreements, the authorized officer has discretionary authority to approve RIP's. Since RIP's recognize title to the improvement, they should be authorized only where ownership of the improvement does not conflict with multiple-use objectives. Improvements that should not be authorized with RIP's are those that cannot realistically be separated from the land, such as vegetative manipulations, tillings, pittings, etc. Granting title to these kinds of improvements is not allowed because the improvement is an inseparable part of the land and separate title is not definable. Operators may contribute to vegetative manipulation projects but their interest is then defined through cooperative agreements rather than rangeland improvement permits.

Required Contributions

While private contributions are strongly encouraged, the Bureau will not require contributions for rangeland improvements except to obtain equitable support from permittees in a group allotment where the majority supports contributions for a project but a minority does not, or to enforce the terms of a mutual agreement.

## Improvements on Other Lands

Investments of public funds on private lands may be permitted, with the consent of the landowner, if proper procedures are followed. When a rangeland improvement is to be constructed on private land and paid for with appropriated funds, an easement or cooperative agreement must be obtained to allow the Federal Government to protect its investment. The type of easement required depends upon the nature of the improvement, management needs, and the size of the investment. Expenditures of contributed funds can be protected by an easement, cooperative agreement, or other type of arrangement. (See BLM Manual Section 2130 for additional details). Easement acquisition costs are project-related and can be charged to the fund to which the improvement is charged, except that the costs of easement acquisition for improvements financed by the range betterment funds will be charged to the grazing administration fund (4322 account).

## Maintenance

(See Maintenance Policy on Enclosure 1-6)

The intent of this policy is to transfer as much of the responsibility for maintaining improvements as possible to the primary beneficiaries of the improvements. Consequently, permittees, lessees, or other individuals, groups, corporations, government agencies or associations deriving the primary benefits from structural improvements are to be assigned responsibility for maintaining those improvements. Primary benefits constitute more than 50 percent of the benefits received. Where less than half of the benefits go to a single use, but substantial benefits are received by one or more users, maintenance responsibilities should be negotiated on a proportionate share basis. Cooperative agreements documenting shared maintenance responsibilities must clearly spell out each party's proportionate share to avoid any possible confusion, overlaps, gaps, or eventual disputes.

Maintenance will be performed in a timely manner so that an improvement remains in usable condition and serves the purpose for which it was intended throughout its normal expected life.

Maintenance can be performed by one of three methods:

(a) Cooperator physically performs maintenance;
(b) Cooperator hires or contracts work to be done; or
(c) Cooperator contributes funds to the BLM and the BLM performs or contracts the maintenance.

## Assignment of Maintenance

Assignment of maintenance responsibilities shall be completed by the end of FY 1984. While it is desirable for the Bureau to restore improvements to usable condition before assignment is made, this is not mandatory. If an improvement cannot be restored to usable condition prior to assignment, the improvement should either be assigned as is or abandoned, after consultation with livestock operators and the district grazing advisory boards or with other cooperators.

Improvements are classified as either structural or nonstructural (see Appendix 1, Glossary). In most cases, permittees/lessees will maintain structural improvements constructed or installed primarily to benefit livestock grazing. Maintenance of improvements not designed for the primary benefit of livestock grazing will be assumed by the BLM or nonlivestock cooperators, as the authorized officer determines. Livestock operators may elect to assume maintenance of this type of improvement because of related livestock benefits or in exchange for maintenance of other improvements. The BLM will generally assume maintenance responsibilities for nonstructural improvements.

For some existing improvements, either the Bureau or a livestock operator has assumed past maintenance responsibility for an improvement without a formal agreement. The authorized officer shall determine who will maintain the improvement and document the responsibility in a cooperative agreement. If the permittees/lessees or other cooperators have already assumed maintenance responsibilities through a cooperative agreement, no further assignment is necessary. If the Bureau has been assuming maintenance of a structural improvement under the terms of a formal agreement (cooperative or otherwise), and it would not continue to maintain the improvement under the terms of this policy, the authorized officer should try to renegotiate the agreement. If existing agreements cannot be renegotiated, the primary beneficiary(ies) shall be issued a decision assigning the maintenance responsibility.

The responsibility for maintaining proposed structural improvements should be determined and agreed to before the improvement is installed. Maintenance of new improvements authorized under RIP's will be the responsibility of the permittee or lessee and the improvement shall be maintained in usable condition for the purpose intended. The RIP's are subject to cancellation following consultation with the Grazing Advisory Board, if adequate maintenance is not performed.

Where maintenance has been assigned to a permittee or lessee, the requirement will be stipulated as a term and condition of a permit or lease. Failure to maintain an improvement in usable condition may result in the withholding or eventual cancellation of the permit or lease. For a nonlivestock cooperator, cooperative agreements may be cancelled if maintenance is not performed as stipulated. If the agreement is cancelled, the authorized officer shall determine whether the improvement should be abandoned, or whether the multiple-use values justify maintenance by the Bureau.

## Operation

Costs necessary to operate or use an improvement are generally borne by the permittee/lessee. When the Bureau requires the improvement to be operated when the permittee/lessee would not normally use the improvement for livestock management (i.e., water developments in rest pastures, or improvements only used during seasonal grazing), operation costs will be shared on a proportional basis.

## Reconstruction

Costs of reconstruction are borne by the owner of the improvement, unless reconstruction is required due to failure of a cooperator to perform maintenance as agreed, in which case the cooperator shall be required to pay the costs of reconstruction.

## Modification

Costs of modification are the responsibility of the party requesting that an improvement be modified.

## Vandalism

Cost of repairs due to vandalism are the responsibility of the owner of the improvement.

## Liability

Parties to cooperative agreements and rangeland improvement permits shall be liable for their own acts but not for the acts of another party. This is common practice in contract situations, and we follow that practice when entering into formal agreements with State agencies and other entities. The following wording, which clarifies the Bureau's position, should be added to all cooperative agreements and RIP's until the language of the appropriate forms is changed to include it:

> The permittee agrees to assume all risk and liability to itself, its agents or employees, for any injury to persons or property and for any loss, cost, damage or expense resulting at any time from any and all causes due to any act or acts, negligence or failure to exercise proper precautions of or by itself, its

own agents or its own employees while operating pursuant to this agreement. The liability of the Federal Government shall be governed by the Federal Tort Claims Act (28 U.S.C. 2271 *et seq*. (1976))

Liability, as described above, is an inseparable part of assuming maintenance and no case-by-case exceptions should be allowed. If a party assumes the maintenance of an improvement, that party also assumes proportionate liability.

Encl. 3-1

## Evaluating, Ranking and Budgeting Implementation of Rangeland Improvements

(See the Rangeland Investment Policy on Enclosure 1-7)

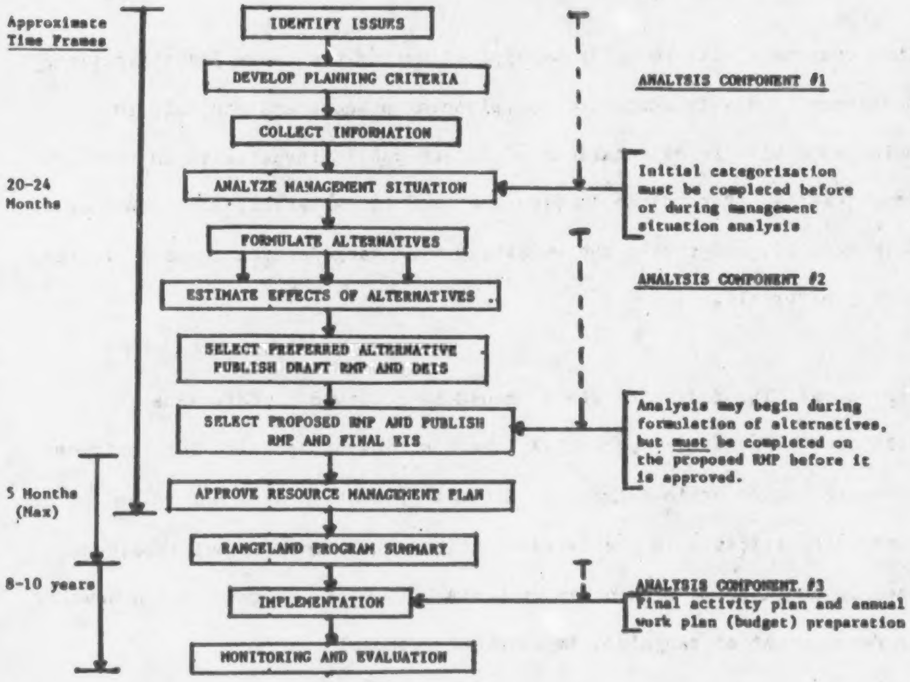
The procedures described in the following sections comprise the "standard Bureau procedures" for Rangeland Investment Analyses. Under normal circumstances, the three components would be applied to allotments in a planning/environmental impact statement (EIS) area over a planning, budgeting, and implementation cycle of about 10 years. Their relationship to the planning/implementation process is shown in Figure 1. They incorporate accepted economic or financial analysis principles, thus making them applicable to analyses of proposed investments other than rangeland improvements. These procedures and the accompanying SageRam Program should be used with the normal measure of care and professional judgment to assure that the results lead to reasonable conclusions.

### Analysis Component 1: Allotment Categorization

**Purpose**: The purpose of Analysis Component 1 is to provide a rough screen for identifying allotments where the opportunity for a positive return on investments exist. It is not a formal analysis requiring the assistance of an economist. Range conservationists should evaluate an allotment's investment potential by categorizing the allotment according to the

Figure 1.

RANGELAND INVESTMENT ANALYSIS AND THE RESOURCE MANAGEMENT PLANNING AND IMPLEMENTATION PROCESSES*


Approximate Time Frames
20-24 Months
5 Months (Max)
8-10 years
IDENTIFY ISSUES
DEVELOP PLANNING CRITERIA
COLLECT INFORMATION
ANALYZE MANAGEMENT SITUATION
FORMULATE ALTERNATIVES
ESTIMATE EFFECTS OF ALTERNATIVES
SELECT PREFERRED ALTERNATIVE PUBLISH DRAFT RMP AND DEIS
SELECT PROPOSED RMP AND PUBLISH RMP AND FINAL EIS
APPROVE RESOURCE MANAGEMENT PLAN
RANGELAND PROGRAM SUMMARY
IMPLEMENTATION
MONITORING AND EVALUATION
ANALYSIS COMPONENT #1
Initial categorization must be completed before or during management situation analysis
ANALYSIS COMPONENT #2
Analysis may begin during formulation of alternatives, but must be completed on the proposed RMP before it is approved.
ANALYSIS COMPONENT #3
Final activity plan and annual work plan (budget) preparation

*Some "overlap" of activities, primarily between adjoining actions is common in the normal conduct of plan development. Occasionally, it is desirable to step back to previous action/steps to assure that newer information is integrated into that action and reflected in subsequent actions.

category criteria contained in Washington Office (WO) Instruction Memorandum (IM) No. 82-292, "Final Grazing Management Policy," dated March 5, 1982. These criteria are: range condition, resource potential, presence of serious resource use conflicts or controversy, opportunity for positive economic return on investment, and present management situation. (See WO IM No. 82-292 for additional information.)

It is important to note that these criteria are interrelated in their effect on the investment potential of an allotment. Allotments in poor condition with serious resource use conflicts, but which have good resource potential, will generally present good opportunities for positive economic return on investments. Conversely, allotments which are in good condition because they are producing near their resource potential and do not have resource use conflicts, generally have little investment potential.

This component will normally be applied during the Issue Identification/ Management Analysis stages of the planning process and can help to maintain realistic expectations of future public investments in rangeland improvements. Record the information used to categorize allotments on Worksheet #1, and retain the worksheet with rangeland management program backup materials.

Procedure: The following steps should be followed to determine an allotment's investment potential, that is, its opportunity for positive economic return on investments. Economic potential will not be an overriding criteria in the categorization of allotments, but should be used in conjunction with other criteria. It will, however, weigh heavily in development of rangeland improvement proposals.

Step 1. - Roughly estimate the allotment's production potential by evaluating any existing information, including current actual use data, soils and ecological site data, range surveys, nonuse being carried, past livestock use adjustments and improvements. Supplement these data with personal knowledge of the allotment and similar adjacent areas.

Step 2. - Consult with livestock operators, game managers, the Soil Conservation Service, and water quality personnel, etc., to discuss their expectations as to what investments should be made in the allotment. These discussions should focus on:

a. What is the limiting constraint in relation to wildlife, livestock, watershed, or other uses or values? In other words, what does the allotment lack that is needed to meet a public or user needs? (e.g., spring range, winter habitat, stable soil, spawning areas, etc.)

b. What potential improvements or other actions could provide the desired resource situation?

Be very careful at this point to create only realistic expectations about potential public investments in marginal improvements and not infer a Bureau capability to finance and implement improvements that will clearly exceed available funds and work months.

Step 3. - Using the information obtained in Steps 1 and 2, a range conservationist should make a preliminary estimate of the improvements that are needed to resolve serious use conflicts and improve resource condition. As a general rule of thumb, the cost of investments proposed should not exceed the current selling price of private lands yielding comparable forage in AUM's.

Step 4. - Apply the "Prudent Investor" test.

a. Roughly estimate the cost of the needed improvements.

b. Roughly estimate increases in AUM's resulting from the improvements.

c. Multiply the annual increase in AUM's times the private grazing land lease rate for your State. Multiply this amount by 14 to 28, depending on the amount of nonlivestock benefits that could reasonably be obtained.[2]

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[2] The present value of an additional AUM/year for 50 years at 7 percent interest (the approximate interest rate used by the Water Resources Council) is 13.8 times the private grazing land lease rate. This number, rounded to 14, is realistic in areas where no benefits other than livestock forage would be gained from the increased AUM's. In areas where an increase in AUM's would produce additional benefits for wildlife and watershed protection, this number is too low. A multiplier between 14 (no additional benefits) and 28 (maximum additional benefits) should be selected based on the AUM and non-AUM benefits that would occur. The multiplier 28 should be used only in those unique situations where each AUM increase results in benefits valued at twice the public grazing land lease rate.

d. Compare the rough estimates of costs and benefits and ask yourself: "Would I, as a prudent investor, invest my money in the improvements proposed for this allotment?" (Assume that you would pay all costs and capture all benefits.)

The answer to this question should describe the allotment's potential for positive economic return on investments. If the answer is "Yes," the allotment meets the economic criteria for the Improve Category. If the answer is "No," the allotment meets the economic criteria established for the Custodial Category. Answers of "Maybe" indicate that additional information is needed or that the allotment meets the economic criteria for the Maintain Category.

## Analysis Component #2: Ranking Investments

Purpose: The purpose of Analysis Component #2 is to help managers integrate economic, resource and social objectives in selecting, ranking, and scheduling investments. Information developed for this purpose will also provide the basic data needed to estimate future investment needs, units of accomplishment, etc., for preparation of "program packages" and other outyear budget documents.

Component #2 must be completed before selection of the final resource management plan (RMP) and publication of the rangeland program summary (RPS). Ideally, economic analysis is an integral part of project formulation and would begin during the development of alternatives for the land-use plan and EIS. A prudent investor wants to know which alternative yields the highest return, or what tradeoff of economic returns is made to achieve social or environmental objectives. At this stage of the planning/budgeting process, firm or specific data may not be available. Use EIS information, professional judgment, and "best estimates" for this "intermediate" analysis. Since improvement funding is expected to be limited, priorities for investment must be established.

Documentation of this analysis on Worksheet 2 should be kept with backup materials for the final RMP and the RPS. Since categorization is a continuing process, the initial categorization can be changed any time information suggests a change is warranted. A place to note such changes is included on Worksheet 2, which would be prepared after environmental analyses, land-use planning, and investment analyses are completed.

Procedures:

Step #1 - Conduct a benefit/cost (B/C) analysis of the package of improvements proposed for an allotment using the Bureau's SageRam Analysis Program. A "with and without" analysis, based on current cost estimates for the District and "willingness to pay" values for both market and nonmarket outputs, is required. (See Appendix 1, Glossary, for definitions of economic terms.) Cost estimates for improvements can usually be obtained from District files and/or recent user expenditures. Changes in outputs resulting from the installation of the proposed improvement package can be estimated using current actual use or license data and estimates of potential productivity described in EIS tables for each alternative. Use the private grazing land lease rate for your State to value livestock forage (AUM's) and the Forest Service's Resources Planning Act (RPA) values for wildlife, recreation, fishing, etc. (See Appendix 2 for private grazing land lease rates, by State; see Appendix 3 for wildlife and related recreational values by Forest Service region.) State or local "willingness to pay" values may be used if available, upon approval by the State Director. Use actual cost estimates for offsite soil/watershed damage avoided and local permit/sale prices for firewood sold, etc. Onsite watershed benefits are reflected in AUM or habitat production.

Step #2 - Reevaluate allotment investment proposals with a B/C ratio of less than 1:1. These proposals cannot be included in a final RMP/RPS unless resource or social criteria provide a firm rationale for further considerations. In all cases, the proposed improvements must represent the least-cost investment package for achieving management objectives. (See Appendix 4 for further instructions concerning the selection of a least-cost method of vegetation management.)

Step #3 - Initially rank allotments (and associated implementation plans) on the basis of Internal Rate of Return (IROR) beginning with the highest IROR. The IROR identifies the annual interest rate or percent return per dollar invested, while the B/C ratio identifies whether and to what extent benefits exceed costs (see Worksheet #2).

Step #4 - Apply the other nine criteria to each allotment. (See back of Worksheet #2 for list of required criteria). If a criterion does not apply to the allotment or situation under consideration, indicate with a zero (0). Additional local criteria may be developed and used if appropriate.

Step #5 - Area Manager develops a proposed ranking and discusses the proposed ranking with the District Grazing Advisory Board. Managers and Advisory Boards should make an initial ranking based on the economic criteria and then use the other criteria to make any necessary adjustments from the economic ranking.

There is no specific formula by which different criteria can or must be weighed and added up to reach a proposed ranking. The analysis provides managers' flexibility to exercise their professional judgment in weighing the standard criteria to rank investment proposals. However, investment proposals yielding low or negative IROR's will have low Bureau priority and a poor probability of early funding unless other criteria provide a solid rationale for the proposed investments.

Step #6 - District Manager reviews Area Manager's ranking, District Advisory Board recommendations and other input to develop a final ranking for the EIS or Resource Area. Generally, allotments in the Improve Category will be given first priority, allotments in the Maintain Category second priority, and allotments in the Custodial Category third priority in the allocation of funds. Therefore, allotments should be grouped by category (all I's first, etc.) and ranked. Implementation of improvements for the Maintain and Custodial allotments may proceed concurrently with activity planning and implementation on Improve Category allotments if proposed improvements will be funded through contributions or fit the exceptions on page 1-8 of the policy statement.

Step #7 - Area Manager develops implementation schedule based on final ranking. District and area staffs will use the cost and output estimates to develop outyear budget submissions.

## Analysis Component 3: Bugeting and Implementation

Purpose: The purpose of Analysis Component 3 is to develop annual work plans (AWP's) that incorporate the priorities assigned during the selection of the final management plan (MFP or RMP) and that also reflect the more detailed investment analysis of final activity plans. It should result in improvement funds being allocated first to investments that rank highest in terms of effectively achieving management objectives.

The SageRam Program can be used to analyze several alternative investment packages for the same allotment. Use of this feature is one means of determining which improvements in an investment package yield the greatest return and which yield the lowest. If improvements yielding low returns are not necessary to achieve the management objectives, they can be eliminated from the proposal to achieve the least-cost method of obtaining the objectives.

As new activity plans [3/] (AMP's, Habitat Management Plans, Herd Management Area Plans, etc.) are completed each year, District Managers may want to revise their overall rankings and implementation schedules. Such revisions, however, should be carefully considered and made with the input of affected publics. When private contributors offer to fund entirely the implementation of allowed or proposed rangeland improvements, these improvements shall be given a high priority in the development and execution of AWP's. Potential contributors shall be notified of schedules to be met, if a proposed improvement is to be included in the AWP.

Once a plan has been ranked and funding approved for the initial year, funding available in subsequent years will normally be allocated to completion of partially implemented plans before new starts are initiated in other allotments. Funds allocated to a State or District in an approved AWP for new rangeland investments will be allocated for improvements according to the priority assigned to them in the AWP submission.

Worksheet #3 provides a framework for developing AWP submissions that must be used to list and rank proposed District rangeland investments. Documentation should be kept with the allotment or AWP files. Analysis Component 3 must be completed prior to submission of AWP's.

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[3/] These activity plans may be as brief (one page) or as lengthy as the situation justifies. Plans prepared by, or in cooperation with, other agencies are acceptable. The intent is to assure that a reasoned analysis of how allotment objectives could best be achieved occurred and has been documented for the benefit of others.

Procedures:

Step #1 - Identify current use (stocking levels) and estimated future use levels achieved through installation of proposed investments, physical units of each type of improvement (e.g., miles of fence, acres of seeding, numbers of springs and wells, etc.) and unit costs and values. Enter this information on the SageRam input Tables. (Appendix 5 provides samples of SageRam input and output pages.)

District files and user expenditures are sources of information for improvement costs. Certified actual use, license data, State wildlife reports, and Soil Conservation Service records provide information about current use or output levels. Soils and range surveys, use levels on comparable land, impact estimates in an EIS, and monitoring data all provide data about potential use with installation of the proposed improvements. Consultation with users and other interested parties will yield additional information.

Unit values for AUM's, wildlife, and recreation should be based on the best available information. In the absence of local forage values that are documented and have been approved by the State Director use the most recent public grazing land lease rate for your State. If one objective of the activity plan is to produce forage (habitat) during a critical season, available and documented seasonal values for AUM's should be used. Ranch budgets (linear programming models) developed by the Bureau or the Forest Service for your area or a comparable adjacent area can provide information that can be used to estimate seasonal AUM values. When seasonal values are used, however, they must be used consistently. If forage is valued at a high rate for the critical season, it should be valued at a lower rate for the noncritical seasons.

Wildlife and recreation outputs will be valued using the Forest Service's RPA "willingness to pay values" when local willingness to pay values are not available or have not been approved by the State Director. Value only AUM's, wildlife, or other outputs for which there is a "willingness to pay." In other words, if there is no demand for the increased forage, then it has no value in the B/C analysis.

If the rangeland investment proposals and related change in outputs impose costs on others, these costs should be included in the cost side of the B/C analysis. For example, increasing the habitat for elk may lead to a larger population and greater winter use of private haystacks by those elk. In summary, investment analyses must be based on a careful assessment of the Bureau's actual contribution to resource development.

Step #2 - Calculate the B/C ratio and IROR for the investment plan. Enter this information on Worksheet #3 along with the allotment name, management category, total costs of improvements, and first year costs.

All proposed investment packages having a B/C ratio of less than 1:1 must be accompanied by an explanation as to why the objectives were not adjusted, etc.

Step #3 - Rank allotments according to highest IROR first, etc. for preliminary AWP rank. Enter information on Worksheet #3.

Step #4 - Enter additional information on Worksheet #3, relying on the criteria and ranking identified in the RPS and consultations with livestock operators and other interests. Investments in allowed or proposed improvements that will be funded entirely by contributions should be ranked highest in AWP development and execution. Allotment rankings may also be adjusted upward or down depending on whether or not a permittee or interest group offers to share part of the costs. Such adjustments must reflect consideration of all socio-economic and resource concerns or needs. The criteria or rationale for making adjustments in the ranking of allotments for rangeland investments must be identified on Worksheet #3.

Other criteria may include:

(1) Changes in resource conditions or uses since the RPS was prepared.

(2) Cost savings achieved by scheduling or contracting several similar projects in a particular year.

(3) Other local criteria.

Step #5 - Discuss the proposed annual investment schedule with the District Grazing Advisory Board members. Their input should be sought even if the Board chooses not to recommend changes in the proposed ranking.

Step #6 - District Managers and/or State Directors prepare final rankings for AWP preparation, using their judgment to weigh the relevant criteria.

Step #7 - Prepare AWP and implement according to approved AWP funding.

## Worksheet #1

## RECORD OF PROPOSED ALLOTMENT CATEGORIZATION

State ____________ District ___________ Resource Area _____________ Preparer _________________

| Allotment Name | Range Condition | | | Allotment Potential | | | Present Productivity | | | Resource Conflicts | | | Controversy | | | Present Management | | Prudent Investor's Willingness to Invest | | | Other Criteria Allotment Characteristics | Category | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Satis. | Unsatis. | Undet. | Hi. | Med. | Low | Hi. | Med. | Low | Many | Few | None | Hi | Low | None | Satis. | Unsat. | Yes | Maybe | No | | N | I | C |
| | | | | | | | | | | | | | | | | | | | | | | | | |

## INSTRUCTIONS FOR WORKSHEET #1

The way this worksheet is used will depend on the availability of quantitative and other allotment data. In its simplest form, a series of check marks may be used to record the allotment categorization process.

This form may provide more documentary value if, under range condition, the percent of the allotment in each category is shown. For Allotment Potential and Present Productivity, it may be advantageous to show the average acres per AUM for each, in addition to "checking" the appropriate category. Brief notes under Resource Conflicts and Controversy may be useful. The percent of the allotment presently under satisfactory or unsatisfactory management may also be shown. For Willingness to Invest, a "scratch pad B/C ratio" may be shown in one of the columns. Other criteria may include suspended use being carried, and any reduction in use made in the past or expected in the future. All of this will have more meaning if the total acres in the allotment is shown in the column with the allotment name or number.

In summary, the intent is to provide a record that will be useful to range conservationists, managers, and others. Use of the worksheet in its simplest form is required, with other data optional. Use it in a manner that best helps you!

State __ ____________ EIS Area ____________
District ____________ Date ____________
Resource Area ____________ Preparer ____________

## Worksheet #2 —

## ALLOTMENT RANKING AND EPS IMPLEMENTATION SCHEDULING

| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Allotment Name/No. | Management Category | Total Cost ($000's) | Benefit/Cost Ratio | IROR (%) | Initial Rank | Critical Resource Values | Use Conflicts | Percent in Unsatisfactory Condition | Percentage Reduction (or Increase) | Ranch Viability w/o Inv. | Public Controversy | State/Local Gov't Other Coordination | Cost per Added AUM | Changes in Management Category | Other Criteria Explanation, Rationale, Etc. | Area Manager Rank | Advisory Board Rank | Final Rank (Dist Mgr.) |
| | | | | | | | | | | | | | | | List and Rank all I's | | | |
| | | | | | | | | | | | | | | | List M's* and continue ranking or rank separately | | | |
| | | | | | | | | | | | | | | | List C's* and continue ranking or rank separately | | | |

## Worksheet #2

### Criteria for Ranking and Scheduling Rangeland Investments

| Worksheet Column | Criteria and/or Information |
|---|---|
| #1 | Allotment name or number. |
| #2* | Selective management category (M,I,C) from Worksheet #2. |
| #3 | Estimated total cost of improvements. |
| #4* | Estimated benefit/cost ratio of the improvement package for the allotment or group of allotments for which a "plan" will be prepared. Use SageRam model. |
| #5* | Internal Rate of Return (percent) as calculated by SageRam model. |
| #6* | Initial ranking (highest IROR first, etc.) |
| #7* | Extent to which a critical resource value(s) exists and requires protection (E,H,M,L).** (Presence of threatened or endangered species, deteriorating riparian areas, fragile soils and/or severe erosion, public safety, and health hazards are some examples.) |
| #8* | Existence of severe and/or controversial resource use conflicts (E,H,M,L).** |
| #9 | Percent of allotment in unsatisfactory range condition. Application of this criterion requires that a determination be made as to whether the existing ecological site condition is suited to the uses for which the area is to be managed. |
| #10* | Actual percent reduction in livestock use proposed, based on the difference between most recent 3-year average of certified actual use and proposed initial stocking level. Licensed use may be used if actual use is not known. |
| #11* | Necessity of the proposed investments to maintain viability of this range livestock operation. From another viewpoint, what is the importance of the investment package in preventing the operator from going out of a business (H,M,L)? |
| #12* | Public controversy generated by the proposal to install improvements (E,H,M,L). |
| #13* | Importance of improvements in achieving State/local government or other agency coordination goals (H,M,L). |
| #14* | Undiscounted cost per additional AUM from SageRam printout. (Sum of costs for the 50 years divided by the sum of additional AUM's over the same period.) |
| #15 | Other criteria developed for the specific local planning situation, other comments, etc. Also record any changes made in Management Category. Changes are not required. |
| #16 | Area manager's ranking based on assessment of Bureauwide and local criteria. |
| #17 | Ranking recommended by District Grazing Advisory Board. |
| #18 | Final ranking assigned by District Manager. |

*Required criteria; if the criteria does not apply, note with a zero (0).
**E = Extreme, H = High, M = Medium, L = Low

State ____________ Resource Area ____________
District ____________ Preparer ____________

## Worksheet #3

## Rangeland Investment Ranking for FY 19__ AMP

| 1 Allotment Name or Number | 2 Management Category | 3 Total Cost | 4 Cost in First Year | 5 B/C Ratio | 6 IROR | 7 Preliminary AMP Rank | 8 RPS Rank | 9 FY Originally Scheduled | 10 User Cooperation | 11 Contributions Received/Pledged | 12 Other Considerations | 13 District Advisory Board Rank, etc. | 14 District Manager AMP Rank | 15 State Direc-tor AMP Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

## APPENDIX 1

### Glossary of Terms

Benefit: The payments and/or economic value generated as a result of pursuing a particular course of action. In the context of investment analysis, services and other outputs are usually translated into dollar amounts. The course of action is the proposal to incur the costs associated with a rangeland investment (improvement) package.

Benefit-Cost Ratio: The ratio of the present worth of benefits divided by the present worth of costs (both discounted to account for the time value of money). Used primarily in public investment evaluations, the technique helps to determine whether the economic benefits of an investment proposal equals or exceeds economic costs.

Cost(s): The dollar amount of expenditures and value of nonpriced inputs required to achieve a particular objective.

Costs, Total: All costs incured in the construction, operation, maintenance and repair of an investment package that accomplishes a specified objective.

Cost-Effectiveness: (Sometimes called cost-utility analysis.) A systematic examination and comparison of alternative courses of action (least-cost investment proposals) that might be undertaken to achieve differing but specified objectives. By identifying the costs associated with achieving each objective, a relationship can be defined to help decisionmakers select an "optimal" course of action. The technique is generally used in public expenditure/investment situations in which no objective way exists to evaluate a situation or when costs and benefits cannot be stated in commensurable terms.

Internal Rate of Return: The discount or interest rate on an investment that will make the present value of expected benefits equal to the present value of the costs of implementing and maintaining the investment package (improvements) over a period of time, generally 50 years.

Least-Cost: The least costly or expensive means of achieving a specific objective.

Maintenance: Timely repair of an improvement in usable condition to extend its useful life for the purpose intended. Such repair is performed as needed and is less than half the cost of new construction.

Operation: Routine use and function of an improvement, including those costs necessary to keep an improvement functioning. Operation usually refers to items such as energy costs, lubricants, and inspection costs commonly associated with pumps, wells, pipelines, etc.

Opportunity Cost: The value of an opportunity foregone or the value of an alternative action not taken.

Positive Economic Return: A return on an investment where the benefits received exceed the costs.

Range Improvement: Any activity or program on or relating to the public lands that is designed to improve production of forage, change vegetative composition, control patterns of use, provide water, stabilize soil and water conditions, and provide habitat for livestock and wildlife. Range improvements may be structural or nonstructural.

**Structural Range Improvement:** An improvement requiring placement or construction in order to facilitate management or control distribution and movement of grazing animals. Such improvements may include, but are not limited to, fences, wells, troughs, reservoirs, pipelines, and cattleguards.

**Nonstructural Range Improvement:** A practice or treatment which improves rangeland condition and/or resource production for multiple use. Such improvements may include, but are not limited to, seedings; plant control through chemical, mechanical, biological means, or prescribed burning; water spreaders; pitting, chiseling, or contour furrowing.

**Reconstruction:** Rebuilding an improvement after it has been damaged or has deteriorated to the point that repair constitutes more than half of the cost of new construction.

**SageRam Program:** A BLM-developed computer program that adjusts or discounts costs and benefits for the time value of money. It provides a consistent basis for rangeland benefit-cost analyses and generates reports that managers and potential contributors can use to determine the economic feasibility of proposed investments in rangeland improvements. The reports document assumptions made in investment analyses and provide several measures of economic feasibility in addition to the B/C ratio.

**Willingness-to-Pay:** The value of a good or service as determined through observation of market behavior between buyers and sellers or the economic value inputed for nonmarket goods as derived through a system consistent with the market mechanism.

**"With or Without" Analysis:** Analysis of the situation in the allotment with the proposed improvements as compared to the situation in the allotment without the improvements.

## Appendix 2--Private Grazing Land Lease Rates

Grazing Fees--base data used in computing annual adjustment index. Monthly Rate (dollars) per head for pasturing cattle on nonirrigated private grazing land

| Year[1] | 11 West States | N. Dak. | S. Dak. | Neb. | Kansas | Okla. | Tex. | Idaho | Wyo. | Colo. | N. Mex. | Ore. | Mont. | Ariz. | Utah | Nev. | Wash. | Calif. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1964 | | $1.84 | $3.13 | $3.75 | $3.52 | $2.76 | $2.38 | $3.33 | $3.40 | $3.51 | $3.09 | $3.15 | $3.03 | $2.86 | $3.42 | $4.28 | $3.17 | $4.02 |
| 1965 | | 1.94 | 3.16 | 3.89 | 3.54 | 2.84 | 2.35 | 3.25 | 3.68 | 3.70 | 3.42 | 3.16 | 3.14 | 2.87 | 3.51 | 4.00 | 2.98 | 4.02 |
| 1966 | | 2.09 | 3.34 | 4.20 | 3.85 | 3.14 | 2.43 | 3.40 | 3.70 | 3.93 | 3.53 | 3.51 | 3.31 | 2.38 | 3.50 | 4.06 | 3.26 | 4.08 |
| 1967 | | 2.10 | 3.72 | 4.35 | 3.99 | 3.05 | 3.38 | 3.47 | 3.73 | 4.05 | 3.37 | 3.74 | 3.59 | 2.84 | 3.66 | N/A | 3.32 | 3.93 |
| 1968 | | 2.37 | 3.80 | 4.50 | 4.15 | 3.15 | 2.71 | 3.48 | 3.95 | 4.03 | 3.43 | 3.04 | 3.00 | 3.10 | 3.53 | 4.43 | 3.63 | 3.71 |
| 1969 | | 2.38 | 3.76 | 4.76 | 4.28 | 3.52 | 2.76 | 3.50 | 4.04 | 4.03 | 3.47 | 3.67 | 3.71 | 2.91 | 3.64 | 4.43 | 3.62 | 3.95 |
| 1970 | | 2.58 | 4.16 | 4.89 | 4.46 | 3.50 | 2.79 | 3.71 | 4.28 | 4.03 | 3.62 | 3.70 | 3.87 | 3.44 | 3.78 | 4.76 | 3.66 | 4.44 |
| 1971 | | 2.61 | 4.22 | 4.90 | 4.35 | 3.67 | 3.04 | 3.79 | 4.28 | 4.23 | 3.40 | 3.61 | 4.03 | 2.78 | 4.05 | 4.32 | 3.63 | 4.44 |
| 1972 | | 2.76 | 4.41 | 5.12 | 4.55 | 3.80 | 3.19 | 3.99 | 4.45 | 4.45 | 3.92 | 3.80 | 4.32 | 2.52 | 4.34 | 3.94 | 3.53 | 4.52 |
| 1973 | | 3.00 | 4.69 | 5.78 | 4.97 | 4.23 | 4.12 | 4.41 | 4.98 | 5.11 | 4.10 | 4.20 | 4.82 | 2.79 | 4.81 | 4.36 | 3.91 | 4.72 |
| 1974 | | 4.13 | 5.79 | 7.16 | 6.40 | 5.11 | 4.14 | 5.43 | 5.81 | 5.51 | 4.41 | 5.29 | 6.87 | 3.21 | 5.51 | 5.41 | 5.36 | 6.78 |
| 1975 | | 4.17 | 6.22 | 8.04 | 6.56 | 4.38 | 3.72 | 6.55 | 6.27 | 5.71 | 4.94 | 5.11 | 7.03 | 4.60 | 5.76 | 5.62 | 6.04 | 5.54 |
| 1976 | | 4.39 | 6.41 | 9.61 | 12.86 | 4.62 | 3.96 | 6.14 | 7.07 | 6.26 | 5.15 | 5.18 | 7.38 | 5.63 | 6.04 | 7.50 | 5.81 | 6.99 |
| 1977 | | 4.49 | 8.91 | 9.77 | 11.97 | 5.43 | 4.58 | 6.20 | 7.06 | 6.11 | 5.83 | 5.26 | 7.28 | 4.90 | 6.88 | 8.21 | 5.83 | 5.81 |
| Year[2] | 3) | | | | | | | | | | | | | | | | | |
| 1978 | | 5.56 | 9.21 | 10.23 | 9.11 | 5.67 | 4.27 | 6.43 | 8.09 | 7.26 | 5.94 | 6.64 | 7.79 | 3.42 | 5.73 | 4.10 | 6.67 | 8.07 |
| 1979 | | 6.29 | 10.13 | 11.20 | 9.97 | 5.94 | 4.65 | 6.47 | 8.74 | 8.12 | 6.83 | 6.88 | 7.78 | 4.63 | 6.30 | 2.55 | 7.29 | 8.19 |
| 1980 | $7,88 | 6.35 | 11.79 | 11.96 | 9.16 | 4.17 | 7.06 | 6.61 | 8.37 | 8.26 | 4.50 | 7.56 | 9.07 | 4.54 | 5.78 | 6.19 | 7.39 | 8.80 |
| 1981 | 8.83 | 8.69 | 11.97 | 13.81 | 9.06 | 5.88 | 6.78 | 8.20 | 7.93 | 8.20 | 6.98 | 7.54 | 9.40 | 5.60 | 7.24 | 6.29 | 8.18 | 10.48 |

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[1] Data from General Farm Questionnaire

[2] Data from June Enumerative Survey

Source: ESS-Econ; work sheets; reflects data as originally published and not rounded. Will not agree with data published since 1975

3) Data is currently published in December issue of Agricultural Prices by USDA, Statistical Reporting Service, Crop Reporting Board, Washington, D.C. 20250. See: "Data Provided To Forest Service, USDA and Bureau of Land Management, USDI, For Computation of Grazing Fees."

## APPENDIX 3

# Recreation Day Values for Use in Benefit/Cost Analyses of Rangeland Investments*

## Introduction

Responsible public administrators and successful business managers understand and use information gathering and analysis procedures that include:

(1) Identification of (rangeland) management or use objectives;

(2) Consideration of alternative practices or improvements (investments) that will achieve the desired result;

(3) Comparison or evaluation of the alternative means of achieving their objective; and

(4) A conscious decision to initiate or invest in those actions or improvements that will most efficiently accomplish their objective.

While some managers like to try new or interesting practices, nearly all understand that their credibility and survival is dependent upon a thoughtful analysis like that just described.

Since a substantial amount of outdoor recreation occurs on public lands or involves the use of public resources and markets for such recreation do not usually exist, it is difficult to establish accepted values or prices for much wildlife related and other outdoor recreation. That society values such recreational and environmental resources is seldom disputed.

This paper provides recreation related benefit values, as estimated by individuals familiar with private market data and economic studies that simulate market behavior. These values should be used in rangeland investment analyses unless local data exists.

## Recommended Values

After reviewing existing studies and reports, a U.S. Forest Service (FS) task force recommended that the values shown in Table 1 be used in resource management planning on forests within each of their regions. The values shown in Table 1 are values per activity day, which is the unit of recreation use measurement commonly used by State and local wildlife and recreation agencies. An activity day consists of a visit by an individual to an area for hunting, fishing, camping, etc. during any portion or all of a 24-hour day.

The typical number of hours spent, by activity, for each activity day is shown in Table 2.

The FS and some other Federal agencies use a unit of recreation use measurement called the Recreation Visitor Day (RVD). An RVD consists of

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*The information presented here is summarized from a more comprehensive report titled "Recreation Day Values for Use in Benefit-Cost Analysis of Oregon's Allotment Management Plans," prepared by Hans Radke for the Oregon State Office, Bureau of Land Management, in April 1982.

12 hours of recreation activity. The values shown in Table 3 represent the estimated value of recreation per RVD, by activity, for each of the FS regions.

The values in Tables 1 and 2 were derived from the same basic information. To convert a value as shown in Table 1 to the value as shown in Table 3: (1) find the value for the activity and region in Table 1 and (2) multiply the value by the multiplier shown for the same activity and region (this multiplier is the result of dividing the average hours per activity into 12). The result is the value per RVD.

Updating the values: Since the FS values were developed in 1978 for use in their 1980 Resources Planning Act, they should be updated using the consumer price index (CPI) (see current Survey of Business for CPI values.)

State and District Office personnel will likely find it helpful to obtain a copy of the complete report prepared by Radke (contact WO 222) for examples of how State agency data can be used to calculate the average hunter days/animal harvested value per animal harvested, etc.

Appendix 3--Table 1. Average regional dollar values per activity day for wildlife and fish-dependent recreation on National Forest System lands.

| Activity | Forest Service Region* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Hunting: | | | | | | | | | | |
| Big Game | $10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| Waterfowl | $ 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Small Game | $ 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Upland Birds | $ 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Nature Study, Wildlife (non-game use) | $ 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 |
| Fishing: | | | | | | | | | | |
| Cold Water | $ 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 |
| Warm Water | $ 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 |
| Ice Fishing | $ 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 |
| Salt Water (Anadromous Sport Fishing) | $19.50 | -- | -- | 19.50 | 19.50 | 19.50 | 19.50 | — | 19.50 | 19.50 |

* Region 1
North Dakota
Montana
Idaho
Wyoming
South Dakota

Region 2
Colorado
Kansas
Nebraska

Region 3
Arizona
New Mexico

Region 4
Utah
Nevada
Idaho

Region 5
California

Region 6
Oregon
Washington

Source: U.S. Forest Service Memorandum 1920 and Management Planning "Unit Values to be Used in Forest Planning," February 24, 1981.

Appendix 3—Table 2. Average Regional Hours Per Activity Day (HAD) and Multipliers (MTP) to Transform Values Per Activity Day to Values per RVD

| Activity | Entry[2] | Forest Service Region 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Hunting: | | | | | | | | | | | |
| Big Game | HAD | 6.0 | 5.0 | 7.3 | 7.1 | 6.0 | 7.6 | | 7.0 | 6.8 | 6.8 |
| | MTP | 2.0 | 2.4 | 1.6 | 1.7 | 2.0 | 1.6 | | 1.7 | 1.7 | 1.8 |
| Waterfowl | HAD | 4.0 | 3.0 | 3.6 | [3] | 3.4 | 4.6 | | 4.2 | 4.0 | 5.0 |
| | MTP | 3.0 | 4.0 | 3.3 | 4.0 | 3.5 | 2.6 | | 2.9 | 3.0 | 2.4 |
| Small Game | HAD | 4.0 | 4.0 | 3.9 | 4.3 | 3.5 | 3.8 | | 4.6 | 4.4 | [3] |
| | MTP | 3.0 | 4.0 | 3.0 | 2.8 | 3.4 | 3.1 | | 2.6 | 3.0 | 4.0 |
| Upland Birds | HAD | 4.0 | 4.0 | 3.8 | 4.4 | 3.4 | 4.4 | | 4.7 | 4.4 | 2.7 |
| | MTP | 3.0 | 3.0 | 3.1 | 2.7 | 3.5 | 2.7 | | 2.6 | 2.7 | 3.0 |
| Nature Study, Wildlife non-game use) | HAD | 3.0 | 3.0 | [3] | [3] | [3] | [3] | | [3] | [3] | [3] |
| | MTP | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | | 4.0 | 4.0 | 4.0 |
| Fishing: | | | | | | | | | | | |
| Cold Water | HAD | 4.0 | 4.0 | 4.1 | 4.3 | 3.9 | 4.3 | | 4.5 | 3.7 | 4.0 |
| | MTP | 3.0 | 3.0 | 2.9 | 2.8 | 3.0 | 2.8 | | 2.7 | 3.2 | 3.0 |
| Warm Water | HAD | 4.0 | 3.0 | 3.7 | 3.0 | 3.0 | 3.5 | | 4.4 | 3.8 | – |
| | MTP | 3.0 | 4.0 | 3.2 | 4.0 | 3.3 | 3.4 | | 2.7 | 3.1 | – |
| Ice Fishing | HAD | 4.0 | 3.0 | [3] | 4.0 | 3.5 | [3] | | – | 3.1 | [3] |
| | MTP | 3.0 | 4.0 | 4.0 | 3.0 | 3.4 | 4.0 | | – | 3.8 | 4.0 |
| Salt Water (Andromous Sport Fishing) | HAD | 4.0 | – | – | 4.2 | 5.0 | 4.1 | | – | 4.2 | 5.0 |
| | MTP | 3.0 | – | – | 2.9 | 2.4 | 2.9 | | – | 2.6 | 2.1 |

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[1] Derived from data included in 1530 (2800) letter to Directors of Recreation of various agencies from Director of Recreation Management, 6/24/76. Activity duration factors (HAD) were revised 11/80 by the Division of Recreation Management.

[2] MTP = (12) – (HAD)

[3] In order to meet requirements that values only be established for activities requiring all or a substantial portion of a 24-hour period, minimum average length of activity day must be 3.0 hours.

Source: "Defining Recreational Values Dependent on Wildlife and Fish to be used in Regional and Forest Lands and Resource Management Planning, July 18, 1980. Report of a Wildlife and Fish Values Task Force Established by Director RPA (USDA).

Appendix 3--Table 3. Average Regional Dollar Values Per RVD for Wildlife and Fish-Dependent Recreation to be Used in Comparing Forest Plan Alternatives

| Activity | Forest Service Region* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Hunting: | | | | | | | | | | |
| Big Game | 21.00 | 25.00 | 16.30 | 17.50 | 21.00 | 16.80 | | 17.85 | 17.85 | 18.90 |
| Waterfowl | 24.00 | 32.00 | 26.40 | 32.00 | 28.00 | 20.80 | | 23.20 | 24.00 | 19.20 |
| Small Game | 24.00 | 32.00 | 24.00 | 22.40 | 27.20 | 24.80 | | 20.80 | 24.00 | 32.00 |
| Upland Birds | 24.00 | 32.00 | 24.80 | 21.60 | 28.00 | 21.00 | | 20.80 | 21.60 | 24.00 |
| Nature Study, Wildlife non-game use) | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | | 29.00 | 29.00 | 29.00 |
| Fishing: | | | | | | | | | | |
| Cold Water | 15.75 | 15.75 | 15.20 | 14.70 | 15.75 | 14.70 | | 14.20 | 16.80 | 15.75 |
| Warm Water | 15.75 | 21.00 | 16.80 | 21.00 | 17.30 | 17.85 | | 14.20 | 16.30 | - |
| Ice Fishing | 15.75 | 21.00 | 21.00 | 15.75 | 17.85 | 21.00 | | - | 19.95 | 21.00 |
| Salt Water (Anadromous Sport Fishing) | 58.50 | - | - | 56.55 | 46.80 | 56.55 | | - | 50.70 | 40.95 |

* Region 1
North Dakota
Montana
Idaho

Region 2
Colorado
Kansas
Nebraska

Wyoming
South Dakota

Region 3
Arizona
New Mexico

Region 4
Utah
Nevada
Idaho

Region 5
California

Region 6
Oregon
Washington

Source: "Defining Recreational Values Dependent on Wildlife and Fish to be used in Regional and Forest Lands and Resource Management Planning," July 18, 1980. Report of a Wildlife and Fish Values Task Force Established by Director RPA. U.S. Forest Service

## APPENDIX 4

## Cost Effectiveness of Vegetation Management

It is the policy of the Bureau of Land Management to consider thoroughly all methods of vegetation management, with both cost effectiveness and environmental impacts in mind. This may include mechanical, manual, fire, chemical, and biological methods. Land use plans, Rangeland Program Summaries, and other plans should identify the uses and/or values for which an area is to be managed (i.e., woodland, rangeland, recreation, wildlife habitat, etc.). Specific resource management objectives, developed thru planning and environmental assessment processes (based on consideration of public input, the existing resource base, potential productivity, use suitability, economic feasibility, etc.) provide the basic parameters for vegetation manipulation proposals. Recent events indicate that reiteration and clarification of policy is necessary.

The preceding document addresses the concept and computation of benefit/cost (B/C) ratios. The procedures described therein must be used to compute B/C ratios for all proposed vegetation management programs. The District Manager is responsible for ensuring that the most cost-effective method is chosen. If a less cost-effective method is necessary due to unusual circumstances, a justification (forwarded through the State Office) will be sent to the Director for analysis and approval prior to initiation of the project.

Pesticide Use: The pesticide use policy of the Department of the Interior states that it is the Department's policy to use pesticides after full consideration of feasible alternatives, including an analysis of environmental effects, safety, specificity, effectiveness, and costs. When the protection or manipulation of vegetation is needed to meet accepted resource management objectives, the use of herbicides and insecticides is often avoided or excessive and unnecessary restrictions are imposed. The result is the substitution of more expensive or less environmentally sound alternatives. The manipulation and protection of vegetation should routinely include the use of pesticides as an important tool if they are the most cost-effective and environmentally sound method.

The Environmental Protection Agency (EPA) has the responsibility to analyze, review, and require that pesticides be registered with necessary label precautions to ensure that unacceptable or unnecessary adverse impacts to human health or the environment result from the use of pesticides. Therefore, pesticides must be applied according to EPA regulations. Additional constraints on pesticide use, including those necessary to comply with specific Federal and State laws, should be documented.

Pinyon-Juniper Chaining: Pinyon Juniper (P-J) chaining is still an accepted rangeland improvement technique and should be considered along with other vegetation manipulation techniques when resource conditions and planning considerations suggest that it is technically and environmentally feasible. Application of the Bureau's investment analysis procedures will help determine economic feasibility.

Proposed P-J chainings should be conducted in a timely manner, consistent with rangeland improvement implementation schedules, as identified in Range Program Summaries and AWP investment rankings.

Current policy emphasizes the sale and beneficial use of all woodland products. However, if local market conditions such as distance from local markets, availability of other free or less costly wood products (i.e., firewood, posts, poles, etc.) or a lack of interest in offered materials exists, the authorized officer can decide to initiate the proposed chaining. Proposed chainings should be scheduled with sufficient lead time to evaluate whether wood products can be marketed and to allow time for input from the other resource desciplines.

Prescribed Burning: Prescribed burning is an effective and accepted technique for vegetation management. It has been used quite successfully in some areas and appears to have the potential for wider use. It is particularly effective in situations where vegetation--fuel conditions meet certain criteria. Prescribed burning should follow similar planning and analysis considerations as those described above. Investment analysis procedures must be applied to proposed prescribed burns to ensure that the most cost-effective technique is selected. Measures should be taken to assure that the fire will be controlled and that property and life are protected. Bureau Manual Section 9211.3 provides guidance on prescribed burning.

Other Methods: Several other mechanical methods of vegetation management exist and are being utilized with success. Sale and physical removal of woodland products is desirable when market conditions permit. Questions concerning the acceptability and effectiveness of alternative techniques may be directed to the Division of Rangeland Resources (WO-222) at FTS 653-9210.

Occasionally, circumstances require that tests or trials of methods be conducted to determine which method is most cost effective. When this is the case, trial acreages should not exceed 1 percent of the total land area in need of treatment. Exceptions may be necessary if a larger area is needed to ensure valid test results. In all such trials, detailed cost records shall be kept, and the effectiveness of the treatments shall be monitored and recorded. Periodic monitoring of trial sites must continue so that long-term effectiveness and impacts can be studied. A report shall be submitted to the Director annually on the results and progress of the trials. That report must include cost and effectiveness data and the results of long-term monitoring of the site for impact assessment of impacts.

Bureau Manual Section 9222, Appendix 2, provides guidance for both pre- and post-treatment analyses of test sites. Reasonable modifications of report format and content may be made to fit the needs of specific programs.

TABLE 1
Allot. # ____
Date: _____

## APPENDIX 5

## RANGELAND INVESTMENT ANALYSIS
## EXISTING PROGRAM DATA

### LOCATION DATA

(01) ___ _________ __________ ____________ ___ ___ ___
State District Resource Area Allotment Name Alloc. No. Prog. Ident. Base Year

### DATA PREPARED BY:

(02) __________ Last Name Range Conservationist (03) __________ Last Name ______ Title

(04) __________ Last Name Wildlife Biologist (05) __________ Last Name ______ Title

| STRUCTURAL PROJECTS | | NUMBER | TOTAL ANN. MAINT. COST | % BLM |
|---|---|---|---|---|
| (06) Springs (No.) | | | | |
| (07) Reservoirs (No.) | | | | |
| (08) Wells (No.) | | | | |
| (09) Pipelines (Mi.) | | | | |
| (10) Fences (Mi.) | | | | |
| (11) Cattleguards (No.) | | | | |
| Other Projects | Unit | | | |
| (12) __________ | (__) | | | |
| (13) __________ | (__) | | | |
| (14) __________ | (__) | | | |

| NONSTRUCTURAL PROJECTS | | LIFE SPAN | TOTAL REPLACEMENT COST | % BLM | NUMBER OF UNITS BY AGE CLASS 0-4 | 5-9 | 10-14 | 15-19 | 20-25 | +25 |
|---|---|---|---|---|---|---|---|---|---|---|
| (15) Mech. Control (Ac.) | | | | | | | | | | |
| (16) Chem. Control (Ac.) | | | | | | | | | | |
| (17) Burning (Ac.) | | | | | | | | | | |
| (18) Seeding (drill) (Ac.) | | | | | | | | | | |
| Other Projects | Unit | | | | | | | | | |
| (19) __________ | (__) | | | | | | | | | |
| (20) __________ | (__) | | | | | | | | | |
| (21) __________ | (__) | | | | | | | | | |

TABLE I
Allot. #____

## RANGELAND INVESTMENT ANALYSIS
## PROGRAM BENEFITS

|  |  | BASE LEVEL | FIRST LEVEL |  | SECOND LEVEL |  | THIRD LEVEL |  | FOURTH LEVEL |  |
|---|---|---|---|---|---|---|---|---|---|---|
|  |  |  | Units | Yr | Units | Yr | Units | Yr | Units | Yr |
| **LIVESTOCK FORAGE** |  |  |  |  |  |  |  |  |  |  |
| (22) Livestock AUMs |  |  |  |  |  |  |  |  |  |  |
| **RECREATION USE** |  |  |  |  |  |  |  |  |  |  |
| (23) Deer Hunting Days (HDs) |  |  |  |  |  |  |  |  |  |  |
| (24) Elk HDs |  |  |  |  |  |  |  |  |  |  |
| (25) Other Big Game HDs |  |  |  |  |  |  |  |  |  |  |
| (26) Waterfowl HDs |  |  |  |  |  |  |  |  |  |  |
| (27) Upland & Small Game HDs |  |  |  |  |  |  |  |  |  |  |
| (28) Warm Water Angler Days (ADs) |  |  |  |  |  |  |  |  |  |  |
| (29) Cold Water ADs |  |  |  |  |  |  |  |  |  |  |
| (30) Inland Anadromous ADs |  |  |  |  |  |  |  |  |  |  |
| (31) Devlpd. Site Rec. Days (RDs) |  |  |  |  |  |  |  |  |  |  |
| (32) Dispersed Use RDs |  |  |  |  |  |  |  |  |  |  |
| (33) Non-Game Wildlife RDs |  |  |  |  |  |  |  |  |  |  |
| **SOIL/WATER BENEFITS** |  |  |  |  |  |  |  |  |  |  |
| (34) Annual Maintenance Cost & Losses due to Sedimentation & Flooding from allotment |  |  |  |  |  |  |  |  |  |  |
| **OTHER OUTPUTS** |  |  |  |  |  |  |  |  |  |  |
| Output Type | Unit |  |  |  |  |  |  |  |  |  |
| (35) |  |  |  |  |  |  |  |  |  |  |
| (36) |  |  |  |  |  |  |  |  |  |  |
| (37) |  |  |  |  |  |  |  |  |  |  |

(38) ____% of Livestock AUMs available between ____ & ____ at the Final Level.
Date

TABLE 2
Allot. # ____
Date: _____

## RANGELAND INVESTMENT ANALYSIS
### ALTERNATIVE PROGRAM DATA

**LOCATION DATA**

(01) ____________ District ____________ Resource Area ____________ Allotment Name ____ Allot. No. ____ Prog. Ident. ____ Base Year

**DATA PREPARED BY:**

(02) ____________ Last Name — Range Conservationist (03) ____________ Last Name ________ Title

(04) ____________ Last Name — Wildlife Biologist (05) ____________ Last Name ________ Title

| STRUCTURAL PROJECTS | FIRST MAINT | NEW UNITS | CONSTRUCTION COST BY YEAR | | | | | | ANN. MAINT. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | %BLM | COST | %BLM |
| (06) Springs (No.) | | | | | | | | | | |
| (07) Reservoirs (No.) | | | | | | | | | | |
| (08) Wells (No.) | | | | | | | | | | |
| (09) Pipeline (Mi.) | | | | | | | | | | |
| (10) Fences (Mi.) | | | | | | | | | | |
| (11) Cattleguards (No.) | | | | | | | | | | |
| Other Projects — Unit | | | | | | | | | | |
| (12) ________ (__) | | | | | | | | | | |
| (13) ________ (__) | | | | | | | | | | |
| (14) ________ (__) | | | | | | | | | | |

| NONSTRUCTURAL PROJECTS | LIFE SPAN | NEW UNITS | CONSTRUCTION COST BY YEAR | | | | | | REPLACEMENT | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | %BLM | COST | %BLM |
| (15) Mech. Control (Ac.) | | | | | | | | | | |
| (16) Chem. Control (Ac.) | | | | | | | | | | |
| (17) Burning (Ac.) | | | | | | | | | | |
| (18) Seeding (drill) (Ac.) | | | | | | | | | | |
| Other Projects — Unit | | | | | | | | | | |
| (19) ________ (__) | | | | | | | | | | |
| (20) ________ (__) | | | | | | | | | | |
| (21) ________ (__) | | | | | | | | | | |

(22) Permittee Costs: ____ Workdays (23) BLM Costs: ____ Workdays

TABLE 2
Allot. # ____

## RANGELAND INVESTMENT ANALYSIS
## PROGRAM BENEFITS

| | BASE LEVEL | FIRST LEVEL | | SECOND LEVEL | | THIRD LEVEL | | FOURTH LEVEL | |
|---|---|---|---|---|---|---|---|---|---|
| | | Units | Yr | Units | Yr | Units | Yr | Units | Yr |
| **LIVESTOCK FORAGE** | | | | | | | | | |
| (24) Livestock AUMs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| **RECREATION USE** | | | | | | | | | |
| (25) Deer Hunting Days (HDs) | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (26) Elk HDs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (27) Other Big Game HDs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (28) Waterfowl HDs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (29) Upland & Small Game HDs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (30) Warm Water Angler Days (ADs) | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (31) Cold Water ADs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (32) Inland Anadromous ADs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (33) Devlpd. Site Rec. Days (RDs) | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (34) ~~Dispersed Use RDs~~ | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (35) Non-Game Wildlife RDs | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| **SOIL/WATER BENEFITS** | | | | | | | | | |
| (36) Annual Maintenance Cost & Losses due to Sedimentation & Flooding from allotment | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| **OTHER OUTPUTS** Output Type / Unit | | | | | | | | | |
| (37) ____________ ___ | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (38) ____________ ___ | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |
| (39) ____________ ___ | ___ | ____ | _ | _____ | _ | ____ | _ | _____ | _ |

(40) ____% of Livestock AUMs available between ___ & ____ at the Final Level.
Date

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p$8

PAGE TWO        ALLOTMENT NUMBER:XXXX       ALLOTMENT NAME:XXXXXXXXXXXXXXXXXX

DATA PREPARED BY:XXXXXXXXXXXX-RANGE CONS.          XXXXXXXXXXXX-XXXXXXXXXXXXX
                 XXXXXXXXXXXX-WILDLIFE BIOL.       XXXXXXXXXXXX-XXXXXXXXXXXXX

                      ALTERNATIVE PROGRAM COST DATA          PROGRAM IDENT:XXXX
                      $$$$$$$$$$$$$$$$$$$$$$$$$$$$$

STRUCTURAL   FIRST
PROJECTS     MAINT   NEW             CONSTRUCTION COST BY YEAR             ANN.MAINT.
$$$$$$$$$$   (YRS)  UNITS       1       2       3       4       5   %BLM    COST  %BLM
SPRINGS       XX   XXXXX NO  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
RESERVOIRS    XX   XXXXX NO  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
WELLS         XX   XXXXX NO  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
FENCES        XX   XXXXX MI  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
CATTLEGDS.    XX   XXXXX NO  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX   $XXXXX  XXX

NONSTRUCTURAL LIFE
PROJECTS      SPAN   NEW             CONSTRUCTION COST BY YEAR             REPLACEMENT
$$$$$$$$$$   (YRS)  UNITS       1       2       3       4       5   %BLM  COST    %BLM
MECH.CTRL.    XX   XXXXX AC  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
CHEM.CTRL.    XX   XXXXX AC  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
BURNING       XX   XXXXX AC  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
SEEDING       XX   XXXXX AC  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX
XXXXXXXXXX    XX   XXXXX YY  XXXXX   XXXXX   XXXXX   XXXXX   XXXXX   XXX  $XXXXXX  XXX

PERMITTEE WORKDAYS: XXXDAYS    $XXXXX        BLM WORKDAYS: XXXDAYS    $XXXXX

                      ALTERNATIVE PROGRAM BENEFIT DATA
                      $$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$$
ANNUAL OUTPUTS       BASE    FIRST LEVEL  SECOND LEVEL  THIRD LEVEL  FOURTH LEVEL
$$$$$$$$$$$$$$$$$$   LEVEL    UNITS  YR     UNITS  YR     UNITS  YR    UNITS  YR
LIVESTOCK AUMS       XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
DEER HUNTING DAYS    XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
ELK (HDs)            XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
OTH.BIG GAME(HDs)    XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
WATERFOWL (HDs)      XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
UPLAND&SMALL GAME    XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
WARM WATER (ADs)     XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
COLD WATER (ADs)     XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
INLAND ANAD. (ADs)   XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
DISPERSE USE (RDs)   XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
DEVLPD SITE (RDs)    XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
NONGAME WLDF (RDs)   XXXXX    XXXXX  XX     XXXXX  XX     XXXXX  XX    XXXXX  XX
SOIL&WATER LOSSES   $XXXXX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX   $XXXXX  XX
XXXXXXXXXXXX-XXX    $XXXXX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX   $XXXXX  XX
XXXXXXXXXXXX-XXX    $XXXXX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX   $XXXXX  XX
XXXXXXXXXXXX-XXX    $XXXXX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX   $XXXXX  XX

XXXX OF LIVESTOCK AUMS ARE AVAILABLE BETWEEN XX/XX & XX/XX AT THE FINAL LEVEL

end of file - request executed  55 times

-old bctable1
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PAGE ONE                    RANGELAND INVESTMENT ANALYSIS                DATE:XX/XX/YY
                            $$$$$$$$$$$$$$$$$$$$$$$$$$$$$                TIME:XXXXXXXX

STATE:XX
DISTRICT:XXXXXXXXXXXX          ALLOT NO:XXXX                        PROGRAM IDENT:XXXX
RESOURCE AREA:XXXXXXXXXXXX     ALLOT NAME:XXXXXXXXXXXXXXXXXXXX          BASE YEAR:XXXX

DATA PREPARED BY:XXXXXXXXXXXX-RANGE CONS.            XXXXXXXXXXXX-XXXXXXXXXXXXX
                 XXXXXXXXXXXX-WILDLIFE BIOL.         XXXXXXXXXXXX-XXXXXXXXXXXXX

                              EXISTING PROGRAM COST DATA
STRUCTURAL                    $$$$$$$$$$$$$$$$$$$$$$$$$$
PROJECTS
$$$$$$$$$$$$     UNITS        TOTAL ANNUAL MAINT. COST
SPRINGS          XXXXX NO       $XXXXX         XXX%BLM
RESERVOIR        XXXXX NO       $XXXXX         XXX%BLM
WELLS            XXXXX NO       $XXXXX         XXX%BLM
FENCES           XXXXX MI       $XXXXX         XXX%BLM
CATTLEGDS.       XXXXX NO       $XXXXX         XXX%BLM
XXXXXXXXXX       XXXXX YY       $XXXXX         XXX%BLM
XXXXXXXXXX       XXXXX YY       $XXXXX         XXX%BLM
XXXXXXXXXX       XXXXX YY       $XXXXX         XXX%BLM

NONSTRUCTURAL  LIFE
PROJECTS       SPAN   TOTAL REPLACEMENT        NUMBER OF UNITS BY AGE GROUP
$$$$$$$$$$$$$  (YRS)     COST     %BLM     1-5    6-10   11-15  16-20  21-25    +25
MECH.CTRL.AC    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
CHEM.CTRL.AC    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
BURNING   AC    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
SEEDING   AC    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
XXXXXXXXXXYY    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
XXXXXXXXXXYY    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX
XXXXXXXXXXYY    XX      $XXXXX     XXX    XXXXX  XXXXX  XXXXX  XXXXX  XXXXX  XXXXX

                            EXISTING PROGRAM BENEFIT DATA
                            $$$$$$$$$$$$$$$$$$$$$$$$$$$$$

ANNUAL OUTPUTS        BASE    FIRST LEVEL  SECOND LEVEL  THIRD LEVEL   FOURTH LEVEL
$$$$$$$$$$$$$$$$$$    LEVEL    UNITS  YR    UNITS  YR     UNITS  YR     UNITS  YR
LIVESTOCK AUMS        XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
DEER HUNTING DAYS     XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
ELK (HDs)             XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
OTH.BIG GAME(HDs)     XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
WATERFOWL (HDs)       XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
UPLAND&SMALL GAME     XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
WARM WATER (ADs)      XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
COLD WATER (ADs)      XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
INLAND ANAD. (ADs)    XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
DISPERSE USE (RDs)    XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
DEVLPD SITE (RDs)     XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
NONGAME WLDF (RDs)    XXXXX    XXXXX  XX    XXXXX  XX     XXXXX  XX     XXXXX  XX
SOIL&WATER LOSSES    $XXXXX   $XXXXX  XX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX
XXXXXXXXXXXX-XXX     $XXXXX   $XXXXX  XX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX
XXXXXXXXXXXX-XXX     $XXXXX   $XXXXX  XX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX
XXXXXXXXXXXX-XXX     $XXXXX   $XXXXX  XX   $XXXXX  XX    $XXXXX  XX    $XXXXX  XX

XXX% OF LIVESTOCK AUMS ARE AVAILABLE BETWEEN XX/XX & XX/XX AT THE FINAL LEVEL

end of file - request executed  57 times
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PAGE THREE                RANGELAND INVESTMENT ANALYSIS SUMMARY          DATE:XX/XX/X
                          *************************************          TIME:XXXXXXX

STATE:XX
DISTRICT:XXXXXXXXXXXX            ALLOT NO:XXXX                           PROGRAM IDENT:XXX
RESOURCE AREA:XXXXXXXXXXXX       ALLOT NAME:XXXXXXXXXXXXXXXXXXXX           BASE YEAR:XXX

                                 EFFICIENCY TEST RESULTS
                                 ***********************
                                                         DISCOUNTED VALUES
    EFFICIENCY RATIOS
DISCOUNT BENEFIT/  BENEFIT/           NET PRESENT VALUE                     PRESENT VALUE
  RATE   ALL COST  BLM COST  ALL COST  OTHER COST  BLM COST        COSTS    BENEFIT
 X.XXX%   XX.X/1    XX.X/1   $XXXXXX   $XXXXXX     $XXXXXX        $XXXXXXX  $XXXXXX
 7.625%   XX.X/1    XX.X/1   $XXXXXX   $XXXXXX     $XXXXXX        $XXXXXXX  $XXXXXX
XX.XXX%   XX.X/1    XX.X/1   $XXXXXX   $XXXXXX     $XXXXXX        $XXXXXXX  $XXXXXX

               ANNUAL YIELD, UNIT VALUES, AND PRESENT VALUES(7.625%)
               *****************************************************
                                          BASE    SUSTAINED          UNIT     PRESENT VALU
 OUTPUT CATEGORY                    UNIT  YIELD     YIELD            VALUES   OF CHANGE
LIVESTOCK FORAGE(AVERAGE)           AUM   XXXXX     XXXXX            $XX.XX    $XXXXXX
LIVESTOCK FORAGE(SEASONAL)          AUM   XXXXX     XXXXX            $XX.XX    $XXXXXX
DEER HUNTING                        HDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
ELK HUNTING                         HDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
OTHER BIG GAME HUNTING              HDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
WATERFOWL HUNTING                   HDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
WARM WATER ANGLING                  ADs   XXXXX     XXXXX            $XX.XX    $XXXXXX
COLD WATER ANGLING                  ADs   XXXXX     XXXXX            $XX.XX    $XXXXXX
INLAND ANADROMOUS ANGLING           ADs   XXXXX     XXXXX            $XX.XX    $XXXXXX
DEVELOPED SITE RECREATON            RDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
DISPERSED USE RECREATON             RDs   XXXXX     XXXXX            $XX.XX    $XXXXXX
NONGAME WILDLIFE VIEWING            RDs   XXXXX     XXXXX            $XX.XX    $XXXXXX

     INTERNAL RATE OF RETURN                   50-YEAR UNDISCOUNTED EXPENDITURES
     ***********************                   *********************************
TOTAL COST    BLM COST    OTHER COST                     BLM        OTHER       TOTAL
  XX.XX%       XX.XX%       XX.XX%     EXPENDITURES: $XXXXXX     $XXXXXX     $XXXXX
                                       COST/ADD AUM: $XXX.XX     $XXX.XX     $XXXX.

                         BLM BUDGET COSTS FOR FIRST FIVE YEARS
                         *************************************
          NEW FACILITES & MANAGEMENT                 EXISTING FACILITIES         TOTAL
YEAR   CONST.    O. & M.   MGT.      TOTAL          O. & M.    REPLCMT.            COST
  1   $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX
  2   $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX
  3   $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX
  4   $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX
  5   $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX
TOTAL $XXXXXX   $XXXXX    $XXXXX    $XXXXXX        $XXXXX     $XXXXXX            $XXXXX

AVG. ANN. COSTS TO OTHERS                       DATA PREPARED BY
*************************                       ****************
                              EXISTING PROGRAM            ALTERNATIVE PROGRAM

OPER.&MAINTENANCE:$XXXXX    XXXXXXXXXXXX-XXXXXXXXXXXX  XXXXXXXXXXXX-XXXXXXXXX
ANNUALIZED REPLMT:$XXXXX    XXXXXXXXXXXX-XXXXXXXXXXXX  XXXXXXXXXXXX-XXXXXXXXX
LIVESTOCK MANGMNT:$XXXXX    XXXXXXXXXXXX-XXXXXXXXXXXX  XXXXXXXXXXXX-XXXXXXXXX
       TOTAL COST:$XXXXX    XXXXXXXXXXXX-XXXXXXXXXXXX  XXXXXXXXXXXX-XXXXXXXXX
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### SOIL, WATER, AND AIR MANAGEMENT REDUCTION

Senator McCLURE. You are proposing a reduction of $5,300,000 for soil, water, and air management on page 102 of your justification. That's a 31-percent reduction.

This program supports other BLM programs primarily through inventory development and management activities to protect the soil, water, and air resources. This program is perceived by many as fulfilling a basic stewardship responsibility for the Federal lands under BLM's jurisdiction.

Is that generally an accurate perception?

Mr. BURFORD. Well, as you know, many of the soil, water, and air programs in the past gathered much, much data and we think that a more economical policy is to gather only that data which we need, and to monitor only in the places we feel the monitoring will be of use. We think that we can cut this cost down to a certain extent by concentrating only on collecting data that is necessary.

Senator McCLURE. Do you feel that the expenditures in the past have accumulated basic data and, therefore, you don't need so much, or is it simply that the BLM was spending too much money in these areas in the past?

Mr. BURFORD. Of course, a lot of this data has already been gathered in the past. So we do have an accumulation of a lot of data, some of which, quite frankly, I'm not sure we have a use for. But we have accumulated a lot of it over the past several years, and in most places we think we do have the data necessary to make correct assessments on what needs to be done on the range.

Mr. CARRUTHERS. Mr. Chairman, if I may be academic, I believe we have collected a lot of data in the past with no objective in mind, with no particular analysis or management practice. It just seemed good—and I speak as an academic, it always seems good to have more data as opposed to less—but we are hoping BLM will focus a little more on exactly what kind of data they need and then gather that data in an inventory and monitoring process instead of just assuming that more data is preferred to less.

### WILDLIFE HABITAT MANAGEMENT REDUCTION

Senator McCLURE. The third point I'd like to explore a moment is the reduction you are proposing in wildlife habitat management. That, according to your budget submission, would be a reduction of $4,750,000, which is a 31-percent reduction.

Your wildlife habitat management program focuses primarily on habitat, not directly on wildlife. That underscores the fact that the State manages resident wildlife species and the Fish and Wildlife Service manages migratory species.

The BLM does not regulate hunting or propagate species, but instead manages 288 million acres providing diverse habitats. Ninety percent of BLM's habitat management plans are developed cooperatively with State agencies. I refer to page 111 of your justification.

I don't find any arguments there that support a decrease in wildlife habitat management, considering the size of the proposed reduction. Why do you want to make these reductions?

Mr. CARRUTHERS. Mr. Chairman, that pressure comes from my office. Philosophically, we believe that game and fish belong to the State under State's rights; and we do seek a new partnership with the State.

We believe the public lands must be used for wildlife habitat, and we will contribute to that effort through the Federal budget. However, we do not have provisions to license fish and wildlife.

We cannot recover from the beneficiaries any kind of income; and, as a consequence, I've asked the Bureau of Land Management to try and form strong partnership relationships with the States. As a consequence of my focus on the New Federalism, the Bureau has reduced the budget.

Senator MCCLURE. Does that imply that the wildlife habitat is primarily a user benefit to local users, that it doesn't have a Federal purpose nor a national goal?

### STATE PARTNERSHIP FOR WILDLIFE

Mr. CARRUTHERS. It is, I think, a shared relationship. I think any time you use Federal land for the production of the State's commodity we have to say it's a shared relationship, and our proposal is to make it exactly that.

Most States do have a revenue structure through the licensing process to help us in developing enhanced habitats. We are very willing to use the public lands for that purpose because we think it's a shared relationship.

Senator MCCLURE. And you don't think they're sharing enough?

Mr. CARRUTHERS. We think that we can enhance the opportunities for wildlife if they were to join us.

Senator MCCLURE. You're going to have a sagebrush rebellion in full bloom again.

Mr. CARRUTHERS. I don't think this issue, Mr. Chairman, would warrant that kind of reaction.

Senator MCCLURE. Well, I'm sure you don't think so, but if what you want to do is own the land, manage the land, and have somebody else pay for it, I suspect you're going to get the idea on the part of some people out there that if they're going to pay for it, they might as well own it.

Mr. CARRUTHERS. As you are well aware, we will even sell some to them.

Senator MCCLURE. Don't overstate that. We've been through that because if I were not friendly, I would immediately say, "Do you really mean you want to sell 288 million acres?"

Mr. CARRUTHERS. No, sir; we don't want to sell habitat. We believe it's a partnership arrangement. Obviously the State governments are short of funds as well, but I'm not sure the Federal Government is any better off. As we all assess our priorities, it seems to me that the States, and particularly those which have a lot of hunting and fishing, just may be willing to help support the program which, financially, they have been committed to in the past.

Senator McClure. States aren't any better off than the Federal Government. They may not be any worse off, but they're certainly not any better off and all of them—well, most of them have constitutional mandates to balance the budget.

Mr. Carruthers. That's correct. And they can alter that constitutional authority to increase the license fees for hunting and fishing in the States to pay for this.

Senator McClure. So you expect the States will increase their hunting and fishing licenses in order to contribute more, and if they don't, then you don't have more State money to participate in this program; is that correct?

Mr. Carruthers. If they don't increase it. I think that's a choice the State legislature would have to make. In some States they would make the choice, and perhaps, in other States, they would not.

Senator McClure. And in the States where they did make the choice, then you would have a habitat, and in the States where they didn't, you wouldn't.

Mr. Carruthers. Not necessarily. We're not getting out of habitat management; we're asking for a reduction in the Federal commitment to habitat management, recognizing the resource in question here is not so much habitat but the resource—a resource that belongs to the State.

Senator McClure. I understand that, and I think you would too. If the States do not do so and you're still going to manage the habitat, there will be no incentive for the State to do it because that would simply mean if they didn't raise their own fees, the Federal Government would pay it; if they did pay their own fees, you wouldn't.

Mr. Carruthers. Mr. Chairman, I can speak from experience in my own State which seems to be rather enthusiastic about this partnership arrangement with the Federal Government up to and including even making investments on the public lands.

I can't speak for other States, but I have asked BLM to begin to work with other States to see if these arrangements can be strengthened.

Senator McClure. Do you have evidence from that that would indicate they are willing to come up with the amount of money that you have identified here as their share?

Mr. Carruthers. No; we do not have it from the States. We are polling the States to indicate if they are willing to step forward.

Senator McClure. And if they were willing to do so, when could they do it? How quickly could they generate that money?

Mr. Carruthers. In most Western States, we're requesting they meet on an annual basis. Most legislatures are over now, they meet in January and February. It would be 1984.

Senator McClure. And they could then authorize it to go into effect at some future time and then they would have to collect it, but at best that does not look like they would have the money in hand for fiscal 1984, does it?

Mr. CARRUTHERS. Not necessarily. It depends on how they legislate. Some of the legislatures who meet on emergency conditions could do so, and others could not.

Senator McCLURE. The fiscal year starts in October. By the time the legislatures meet and are out, over half the year is gone, isn't it?

Mr. CARRUTHERS. Yes, sir.

Senator McCLURE. And even if they legislated on an emergency basis, it would take another 6 months to collect the money.

### STATE OR FEDERAL RESPONSIBILITY FOR WILDLIFE HABITAT

Mr. CARRUTHERS. Well, Mr. Chairman, I don't mean to go back to the philosophy. What we're trying to do with public lands in this case, the question I brought to the BLM and we discussed at great length is, what is the State's right or the Federal right. I think in this administration we sense that the State ought to allocate and manage those fish and game species not now under the control of the Department of the Interior.

Senator McCLURE. Including the habitat?

Mr. CARRUTHERS. The habitat is a contribution on the part of the Federal Government as well as the private sector. Let's not forget that. Let's not lead people to believe the only habitat in the world happens to be on public lands. There are other options including State land for providing these habitats. They might choose to invest a good share of their money in State lands because of the control they have.

What we're really talking about in habitat management is not necessarily management to maintain stability. What we're looking for in our scenario is to enhance the habitat, and habitats, generally speaking, as I understand BLM's program, do not necessarily require an ever-increasing amount of money just to manage.

It's a fairly stable program. It can be a fairly stable program depending on policy choice. If we decide to develop a greater expansion of habitat at that time, we need additional investment. To get the additional investment we can go to the Federal Government, assuming it is a major responsibility of the Federal Government to do it; or we could look to the States and say, "Let's share this responsibility because we're helping you with your resource."

Senator McCLURE. I don't object to the idea of involving States, but to the extent they can and are willing to. But this idea of investing in habitat for noncommercial use, if I can use that term to distinguish between livestock grazing and habitat for other purposes that are associated with wildlife values, whether it be hunting and fishing or nonhunting and fishing species, Congress has only just very recently gotten very much involved in trying to direct the administration in that direction.

Does this signal a reversal? Does this signal that you don't want Congress to continue to support enhancement of the wildlife habitats?

Mr. CARRUTHERS. No, sir. We are asking—we are signaling the Congress we are not adverse to enhancing wildlife habitats. We're crazy about it. We just would like to have some partners in the business because it's a multiple use of the public lands.

Wildlife habitat is one of those multiple uses. It's quite compatible with a host of other uses, and we would like for the partners who have an interest in the States to join us in that activity. That's the signal.

We're not adverse to enhancing at all. We would certainly like to have some help, however.

### WILDERNESS AREA MINERAL SURVEY FUNDS

Senator MCCLURE. You are also proposing a reduction in the recreation management program and the fire management program.

In addition, you are proposing to transfer $4,500,000 to two Federal agencies, that is, $2,813,000 to USGS and $1,687,000 to the Bureau of Mines for mineral surveys in wilderness study areas, and have reduced your budget request accordingly.

Do you think that those agencies will be as effective as BLM has been in seeking funds for mineral surveys?

Mr. BURFORD. The funds, prior to this year, have always been in the BLM budget; but they have now been transferred to the USGS and U.S. Bureau of Mines for mineral assessments on wilderness study areas to make determinations as to whether they should be wilderness areas or not.

It was decided this year, within the Department, that these items should be taken out of the Bureau of Land Management budget and placed in USGS and U.S. Bureau of Mines budgets.

They will be used for the same type of studies that took place before, only they now show up in those two agencies' budgets.

Senator MCCLURE. Now we're talking here about those wilderness study areas that are the BLM wilderness studies?

Mr. BURFORD. Yes, sir.

Senator MCCLURE. We're not talking about the work that might be done for other Federal agencies?

Mr. BURFORD. No, sir. This is work for BLM areas.

Senator MCCLURE. This is BLM land?

Mr. BURFORD. Yes, sir.

Senator MCCLURE. Which is being studied for possible wilderness designation. USGS has no direct interest in that determination?

Mr. CARRUTHERS. They are statutorily obligated to do the mineral surveys.

Senator MCCLURE. Statutorily obligated to do it as a contracting survey team, aren't they?

Mr. CARRUTHERS. My understanding is—correct me if I'm wrong, Senator—but I believe the final report on minerals must be certified by either the Bureau of Mines or the U.S. Geological Survey; and they would, in fact, have to do the work.

We debated with them on the possibility of doing some private contracting to move more expeditiously; and I think their argument has always been that they must, in fact, do the surveys themselves. That's their argument, Mr. Chairman.

### SIMILARITY TO APPROACH USED FOR FOREST SERVICE

Mr. BURFORD. One thing to clarify this is the fact that the mineral surveys for U.S. Forest Service wilderness areas, RARE I, RARE II areas—those mineral survey funds were always in the appropriations of the USGS and U.S. Bureau of Mines.

For some reason which is beyond my ken, the funds for surveys on BLM lands were, in the past, appropriated through BLM and then transferred to GS and Bureau of Mines by BLM.

This year represents a change. Now we are doing it exactly the same as USFS has done in the past, and those funds appear in USGS and U.S. Bureau of Mines budgets as line items for wilderness minerals assessments on Bureau of Land Management lands and on U.S. Forest Service and the U.S. Park Service lands.

Senator MCCLURE. Well, I'll say something I'm sure the Department of Agriculture and the Forest Service wouldn't like. The major reason it was done was it was thought there was some expertise in the USGS and the Bureau of Mines that the Forest Service didn't have.

I remember back to the time when there was one single surveyor in the Denver office of the Forest Service and he served all the Northwest, and he hadn't even had any private experience.

He had 5 years' experience after he got out of school, but practical experience he had none, and he handled all of the Forest Service, and that's the reason it was done on a contract with these other agencies that had people that knew something about the business.

It has always appeared to me there was some sense in keeping the responsibility in the BLM, because it's BLM land and you have more of a sense of responsibility toward that land than someone else, I hope.

Mr. BURFORD. Well, this is a departmental determination. It was felt that there is probably more expertise in USGS and U.S. Bureau of Mines. In order for them to have good, effective cost control within their agencies over the minerals assessment work that they feel is necessary to be done, the money should be appropriated directly to them; and they should be responsible for the work product that comes out and which will be presented to Congress.

Mr. CARRUTHERS. The bottom line is that FLPMA does require the Bureau of Mines or USGS to do the surveys; and in our negotiations with them in the past year-and-a-half, we have been unable to shake their belief in the fact that that is what they ought to be doing. So we have felt, in terms of good management, let's go ahead and put the budget for the work in their agencies and hold them accountable for that accomplishment.

Senator MCCLURE. There will be a more marked disconnection between land management and the survey, then, if I understand it correctly?

Mr. CARRUTHERS. Not the way Director Burford manages. He will stay with them.

### COAL PROGRAM DECREASE

Senator MCCLURE. In the coal program, going back to page 49 of your justification, you are proposing a decrease of $6,650,000, a 27-percent reduction, but a reduction in personnel of only 14 full-time equivalents. That's a 3-percent reduction. How is it possible to get a 27-percent reduction in funding and only a 3-percent reduction in personnel?

Mr. BURFORD. A lot of money is for contract work, Senator, which goes out to private contractors for evaluation and environmental impact work.

Senator MCCLURE. Do you intend to conduct activity planning in fiscal year 1984 necessary to support one first-round coal sale and four second-round coal sales?

Mr. BURFORD. I think that is correct. I think there is one first round and five second rounds.

Senator MCCLURE. Five second rounds?

Mr. BURFORD. One of those sales is in fiscal 1985, but some of the activity planning will go on in 1984. The sale will be held in 1985. Most of the assessments and the land use planning and data gathering has been completed for the first round sale, and for the second round sales. That is the reason we can cut down on the amount of money in the coal program and still continue with a viable sale.

Senator MCCLURE. Will you provide for the record a detailed description of each sale, including a map of each area?

Mr. BURFORD. Yes, sir.

[The information follows:]

### COAL LEASE SALES

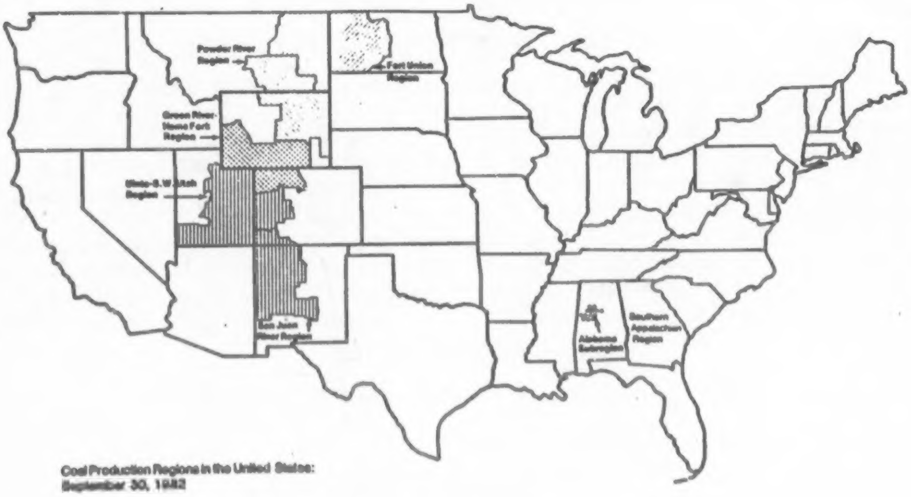
Activity planning is underway for coal lease sales in fiscal year 1984. The schedule for one first round and four second round sales with a description of each sale is provided in the following table. A map showing the Federal coal production regions is attached.

FISCAL YEAR 1984 REGIONAL SALES

| Round | Region | Sale date | Leasing level (Million tons) | Reserves available for leasing (Million tons) |
|---|---|---|---|---|
| First | San Juan | December 1983 | 1,200 to 1,500 | 1,900 |
| Second | Uinta-Southwestern Utah | February 1984 | 1,600 to 2,100 | 1,900 |
| Second | Southern Appalachia | May 1984 | 42 to 117 | 120 |
| Second | Green River-Hams Fork | June 1984 | 750 to 950 | 1,000 |
| Second | Powder River | August 1984 | 1,220 to 4,850 | 7,300 |

Competitive coal leases are issued after completion of land-use planning and coal activity planning processes. The land-use plan requires a total of 2 years to complete, including: inventories, multiple-use analysis, application of the unsuitability criteria, and surface owner consultation. The coal activity planning stages follow preparation of the land-use plan, and the process is assumed to take no more than 2 years. Activity planning, including the regional EIS, started in fiscal year 1982 for sales scheduled in 1984 in the Powder River, Southern Appalachia, Uinta-Southwestern Utah, and Green River/Hams Fork regions.

Federal Coal Production Regions



Coal Production Regions in the United States: September 30, 1982

## AMOUNT OF COAL UNDER LEASE

Senator McCLURE. Some critics of the coal program point to the 621 Federal coal leases in place covering 930,000 acres with in-place resources estimated at 45.4 billion tons and also point to the current rate of coal usage in the United States and then question why we should have additional coal sales at this time. How do you respond to that criticism?

Mr. BURFORD. Well, a good number of those leases will never be developed because they were issued before the passage of the Surface Mining Control and Reclamation Act; and it will just be impossible for them to be developed. The coal sales that are coming out now have had assessments made on them that they are mineable. They are viable properties. They are in blocks that make it economically efficient to mine and to comply with all the environmental laws, the Clean Water Act, Safe Drinking Water Act, and all the environmental laws that have been passed since the last coal was leased some 15 years ago. A good number of those prior leases will never come to fruition.

Senator McCLURE. Do you have a listing of those that you think will not?

Mr. BURFORD. I don't think we have a listing by lease on it. I imagine we could probably show some areas.

Senator McCLURE. Would it be possible to show the areas and list the leases within those areas?

Mr. BURFORD. I'm looking at my Deputy Director, Sandy Blackstone.

Senator McCLURE. I noticed that.

Mr. BURFORD. She is sadly nodding her head. She probably thinks it is going to be quite a job.

Senator McCLURE. I think the criticism needs to be answered.

Mr. BURFORD. All right, sir.

[The information follows:]

### SOME EARLY COAL LEASES UNLIKELY TO BE DEVELOPED

BLM estimates that approximately one-third of the 565 coal leases issued prior to the resumption of the regional leasing program in January 1981 are unlikely to be developed or have uncertain development potential. These leases are considered to be low in development potential because they cover small isolated reserves, contain poor quality coal or can only be developed at considerable expense due to the high cost of mining, transportation or the mitigation of environmental impacts. A listing of the individual leases and areas involved requires a lease-by-lease review of the development status and the application of assumptions regarding the likelihood of future development. This review of existing leases is currently underway, and a more detailed discussion of Federal coal lease development potential will be included in a background paper prepared for distribution by the Department in the near future.

### COAL LEASED IN RESPONSE TO MARKET FACTORS

Mr. CARRUTHERS. Mr. Chairman, I would like to add to that. We don't want anyone to understand that because we offer coal to be leased that we anticipate all of it will be leased. We view that as offering an opportunity. If, in fact, the market dictates that coal ought to come on line based upon our appraisal, that is fine; but we are not embarrassed about walking away from coal sales with no bidders or with only part of the coal leased. We just think we are obligated to offer the opportunity.

Senator McCLURE. How much additional in-place resource will the five lease sales to be held in fiscal year 1984 add to our current balance?

Mr. BURFORD. We don't have that information available.

Ms. BLACKSTONE. Until we complete the activity planning and tract delineation, we don't have an exact estimate of the land to be offered at each sale; but we would be happy to release some general idea of the amount that is available from the regional sale areas.

Senator McCLURE. And again, you don't know how much bidding activity there will be on sales, but you could at least give us some indication of how much resources are within the proposed sale, could you not?

Ms. BLACKSTONE. We could tell you how much coal could potentially be offered. Again, the amount that actually is offered would be much less than that, because of problems with, for example, surface owner consents or other problems that have developed with particular tracts. Of course, the regional coal team makes the recommendation, and they may recommend a level that is lower than the total amount available.

[The information follows:]

### COAL AVAILABLE IN FISCAL YEAR 1984 LEASE SALES

BLM land use planning documents indicate that some 12.22 billion tons of coal reserves are available for consideration for leasing in the five regions which are scheduled for coal lease sales in fiscal year 1984. The availability of these reserves does not represent a plan to lease this amount of reserves. The reserves constitute a stock upon which any future leasing level decisions will draw.

### COAL SALE COSTS

Senator MCCLURE. How much will each of these sales cost in fiscal year 1984?

Mr. BURFORD. I don't think we have a sale-by-sale figure on that, but I think we could probably get you some estimates in a very short time.

Senator MCCLURE. Could you do that, please.

Mr. BURFORD. Yes, sir, we will.

[The information follows:]

### COAL SALE COSTS

The total estimated cost for activity planning in fiscal year 1984 is $1,100,000.

### LEGAL CHALLENGES TO POWDER RIVER SALE

Senator MCCLURE. What is the status of the legal challenges for the late fiscal year 1982 sale at Powder River?

Ms. BLACKSTONE. The district Judge has not yet ruled. Arguments have been heard, but he has not yet ruled on the motion for summary judgment.

Senator MCCLURE. Could you please provide for our files appropriate copies of briefs and pleadings in those actions?

Ms. BLACKSTONE. Yes, sir, we will.

[The information follows:]

### SUMMARY OF LEGAL CHALLENGES TO POWDER RIVER SALE

The legal challenges to the Powder River coal lease sale have resulted in a large volume of material, briefs, et cetera, which can be provided if necessary. However, the following summary covers the history and current status of these cases.

Two lawsuits were filed challenging the Powder River region coal lease sale: *Northern Cheyenne Tribe* v. *Watt*, Civil No. 82-116-BLG (D. Mont.); and *National Wildlife Federation, et al.*, v. *Burford*, Civil No. 82-117-BLG (D. Mont.). They were originally filed in U.S. District Court for the District of Columbia the week before the sale. On April 22, 1982, the court denied a motion filed by the Northern Cheyenne Tribe for a restraining order to stop the sale. At that time, the State of Wyoming intervened in the lawsuit as a defendant. Subsequently, Wyoming, Shell Oil Co., and Meadowlark Farms, Inc. (Amax) were granted status in both cases as intervenor-defendants.

The *Northern Cheyenne* suit focuses principally on the adequacy of the regional environmental impact statement (EIS) as it relates to their reservation. The *National Wildlife Federation (NWF)* suit originally focused on the adequacy of the underlying planning for the sale but was amended later to challenge the fair market value of the bids received at the sale. The District of Columbia court consolidated the cases and transferred them to Federal court in Montana on June 7, 1982.

The Montana court held a hearing for these cases on December 10 and 13, 1982. The defendants urged the court to grant summary judgment in their favor on all issues raised by the lawsuits. The Government also argued that NWF lacked standing to raise the fair market value issue. The Northern Cheyenne argued that they should be granted summary judgment on their principal issue, that is, that the regional EIS did not adequately consider impacts to their reservation. The NWF argued for summary judgment on three issues: (1) the lease tracts were improperly delineated; (2) the land use planning failed to consider the reclaimability of the lands during unsuitability review; and (3) the Department improperly changed its policy that lease tracts subject to pre-Surface Mining Control and Reclamation Act nontransferable surface owner consents would only be sold through intertract bidding. NWF further argued that their questions and requests for additional documents should be answered by the Department before the court rules on the adequacy of the land use planning for the sale and on the Department's fair market value determinations. The NWF alleged that without these answers, the record before the court (which consists of over 435 documents) is incomplete.

The court made no rulings at the hearing on these issues. The court's decision could be issued at any time.

## ESTIMATE OF COAL UNDER LEASE

Senator McCLURE. Could you provide for the record an estimate of the amount of coal that is under lease already that is not in economic units that for environmental or other regulatory reasons will never move to market?

Mr. BURFORD. It will probably be what you call a windshield estimate or horseback estimate, Senator; but we will see if we can come up with some figure that will be in the ball park.

[The information follows:]

### AMOUNT OF LEASED COAL WHICH IS UNLIKELY TO BE DEVELOPED

BLM estimates that approximately one-fourth of the 16.5 billion tons of recoverable Federal coal leased prior to the resumption of the regional leasing program in January 1981 is unlikely to be developed because of economic or regulatory reasons. These leases are considered undevelopable under almost any foreseeable economic circumstances. For other old leases, however, the level of development will depend on many factors, including the level of new Federal coal leasing. The fewer new leases are issued, the greater the likelihood of development of old coal leases. Conversely, if considerable new Federal coal leasing occurs, poorer quality old leases may be uncompetitive and may not be developed.

## COAL VOLUMES COMMITTED TO LONG-TERM CONTRACTS

Senator McCLURE. Do you have the volumes that are committed to long-term sales contracts? For instance, a minemouth plant or individual plant may have behind it a certain volume of leases that are dedicated to supplying that particular utility plant during the life of it?

Mr. BURFORD. I don't believe we have that information available. I would assume some of it is proprietary, but we will make what we have available to you.

[The information follows:]

### FEDERAL COAL COMMITTED TO LONG-TERM SALES CONTRACTS

BLM does not maintain information on the volume of Federal coal committed to long-term sales contracts. However, data is available on the amounts of reserves contained in mine plans. The total amount of Federal coal reserves in approved mine plans, as of April 24, 1983, is 6.7 billion tons. The amount of reserves in pending mine plans as of the same date is 3.1 billion tons.

## DUE DILIGENCE REQUIREMENTS FOR COAL

Senator McClure. Do you have due diligence clauses in your current leases?

Mr. Carruthers. Yes, Senator.

Senator McClure. Are there due diligence clauses in the old leases?

Ms. Blackstone. After the passage of the Federal Coal Leasing Amendments Act, the diligence requirement of production within 10 years from the time of first readjustment after 1976 was imposed. That was in our recent revision to the coal regulations. So there is currently a diligence requirement in all of the coal leases. It varies, depending on whether the leases were issued before the Coal Leasing Amendments Act or afterwards.

Senator McClure. Hasn't enough time elapsed already that you could make some assessment of due diligence on old leases where, for economic or regulatory reasons, they cannot operate and will not operate, so you could invalidate leases?

Ms. Blackstone. I suppose it would be possible, but it might be impractical for BLM to make assessments of whether or not a company is going to have a market and produce coal within, say, the next 5 or 10 years. It would be, I am sure, possible, but very time-consuming to be able to make that kind of analysis. All the leases do have a term now, in both the pre-1976 and the post-1976 leases, by which they must be developed; and those that are post-1976 have a 10-year diligence requirement. On those that are pre-1976, since they were existing contracts, what was applied was 10 years from the date of readjustment which is the first opportunity BLM has to alter the leases.

Senator McClure. And what would be the date of readjustment?

Ms. Blackstone. It varies, depending on the time the coal lease was issued. It ranges up to about 1997, I think, at the outside.

Senator McClure. How do you answer the critics who say this procedure allows the bidders to keep the inventory, that they, in effect, can speculate upon a public resource?

Ms. Blackstone. We feel that our primary purpose is to receive a fair amount of value for the lease. With the diligence requirements that are included in it, it takes time to obtain a coal lease, to develop a market, to develop a mine plan, to determine transportation needs and all kinds of things; and our primary responsibility is to get a fair amount of value for the lease when it is issued and to recognize the time that it takes to put the lease into production. Any speculation that may go on is part of the business of producing coal; and if the initial bidder who gets the lease finds that he cannot satisfactorily or economically develop it, it's perfectly reasonable for him to transfer it to somebody who can.

Senator McClure. That would require either a voluntary transfer to someone else who can or the exercise of the due diligence requirement and cancellation of the lease; is that correct?

Ms. Blackstone. The diligence time runs from the time the lease is issued. It doesn't begin again if the lease is transferred.

Senator McCLURE. That's right, but if they can do it within the time of the lease, before any due diligence requirement has been invoked by the Bureau, then they could, indeed, transfer it to someone else who could perform within that term.

Ms. BLACKSTONE. Yes; that is correct.

### COAL OFFERED VERSUS MARKET OVERSATURATION

Senator McCLURE. Unless we have some kind of handle on how much of this coal is committed to market, how much is needed for marketing, aren't we in danger of putting more on the market than the market can absorb in any short period of time, and thus reduce the amount of market value?

Mr. CARRUTHERS. Mr. Chairman, again going back to my earlier point, we offer the opportunity. We appraise the coal, and we go into a bidding process and seek fair market value. That fair market value will represent that relationship between the supply of coal and the demand for coal. We very recently had sales with very little interest and someday, 5 or 6 years from now, we may come back to offer the same acreage.

Senator McCLURE. That assumes the market out there knows more about the resource than you do.

Mr. CARRUTHERS. That's correct. We have to respond to the market.

Senator McCLURE. And they do know more about what's under lease, both Federal and non-Federal, than does the Government.

Mr. CARRUTHERS. They certainly know from their own decision process how much coal they can acquire through other processes and how much they have to take from the Federal market.

### GAO REVIEW OF POWDER RIVER SALE

Senator McCLURE. Could you provide for the record, or perhaps you can answer, the status of the GAO review of the Powder River fair market value procedure?

Mr. CARRUTHERS. Mr. Chairman, we were briefed on this report about 3 weeks ago, and at that time they indicated that it was forthcoming. They gave us just a brief peek at some of their findings, approximately 3 or 4 weeks ago—and so I would say that a report of some kind is imminent.

### ENERGY-RELATED RIGHT-OF-WAY CASES

Senator McCLURE. According to your justification on page 74, right-of-way cases costing less than $5,000 for BLM to process will be funded through reimbursement from the applicant. What type of applicant will be affected most? Are these generally large companies, or are they individuals seeking rights-of-way?

Mr. BURFORD. Most of those would be oil and gas companies.

Senator McCLURE. Oil and gas companies?

Mr. BURFORD. Probably a large part of them would be.

Senator McClure. How about the livestock operator out there that's got a little bit of water over on private land and wants to get water from one place to another, and he uses some public land? Are you going to charge him the full cost of that right-of-way?

Mr. Burford. Yes, sir.

Senator McClure. And up to $5,000?

Mr. Burford. I'm getting confused now. There is a difference there between energy and nonenergy rights-of-way.

Senator McClure. According to the justification at the top of page 74, that's where I'm reading, beginning at fiscal year 1984, rights-of-way cases costing less than $5,000 for BLM to process, will be funded through the service charges, deposits, and forfeitures appropriation, and so forth.

Mr. Burford. Senator, that heading you are reading from concerns energy rights-of-way. If you look on the previous page, you will see that starts out with energy.

Senator McClure. That will not apply to other than energy?

Mr. Burford. Yes; the principle would apply. If you look at the next page, on page 75, you see the category for nonenergy realty, lower 48.

Senator McClure. And what do you expect those right-of-way applications will cost? Are you making any changes at all?

Mr. Burford. The lowest cost in our fee schedule will be $140 for those under $5,000, $100 for processing and $40 for monitoring, and we will recover actual full costs for those over $5,000.

Senator McClure. If it is less than $5,000, you expect to get the full cost back from them?

Mr. Burford. If it is more than $5,000, we expect to get actual full cost. If it is less than $5,000, we are going to use a fee schedule which approximates full cost.

Senator McClure. Have you begun to publish the regulations?

Mr. Burford. I'll defer to Delmar Vail on that.

Mr. Vail. They are still in the process of review. We plan on publishing them soon.

Senator McClure. The Senate report in fiscal year 1983 asked for a "full discussion of the impacts." And that's a quotation from the report—associated with a proposal of this type.

Will you submit for the record a detailed analysis of the impacts?

Mr. Burford. Yes, we will.

[The information follows:]

### RIGHTS-OF-WAY COST RECOVERY

Proposed rulemaking was published in the January 17, 1983, Federal Register at pages 2110 to 2113. The public comment period ended on March 18, 1983. Rules are scheduled to become effective by July 15, 1983.

The impacts associated with the proposal are discussed based upon the average case. However, the proposed rulemaking uses an approach which differs from the existing rate schedule. The existing rate schedule is based upon the length or area of the right-of-way. Data developed by BLM's field offices and conclusions drawn by a task group set up to study the rate schedule indicate that length or area of a right-of-way are not directly related to processing costs. However, the complexity of environmental assessments and appraisal work and the amount of travel are directly related.

Individuals now paying a fee of $70 to $350 for a linear water line, road, et cetera, will pay $140 to $820 or more under the new schedule. A few may realize a savings, but the majority will pay more. In environmentally sensitive or unique areas, detailed field investigations could result in substantial fee increases. However, preapplication discussions with the proponent could offer alternatives to mitigate potential problems or avoid these areas entirely.

The perceived impacts of the recovery of reasonable costs for processing the average application processing for other than major rights-of-way are these:

1. The lowest fee now required for processing rights-of-way averages about $100 for application processing and $40 for monitoring. The revised rate schedule will average about $700 for processing and $120 for monitoring.
2. Although the majority of the rights-of-way will be granted to large companies, many individuals and small businesses will pay, on the average, $680 more to process and monitor a right-of-way ($820 minus $140 equals $680).
3. The increased processing costs may cause right-of-way propopents to construct facilities on the public lands without authorization to avoid the processing fees.
4. The BLM's good neighbor policy may be strained due to the additional financial burden placed upon small landowners, ranchers, or commercial enterprise right-of-way propopents.

## RECENT COURT DECISION ON PILT PAYMENTS

Senator McClure. I think you are familiar with the background of the PILT case and the Sixth District Court of Appeals decision on December 20, 1982, with respect to how you will make those payments and where they must go.

Mr. Burford. Yes, sir, I am.

Senator McClure. The ruling found the Secretary exceeded his authority under the act when he included a primary provider of services standard in his definition of units of Federal Government.

Mr. Burford. Yes, sir.

Senator McClure. What was the court's response to the request for rehearing?

Mr. Petty. It was denied this past week.

Senator McClure. It was denied?

Mr. Petty. Yes, sir, it was.

Mr. Burford. The last session we had, it looked like we needed some legislative change, because that ruling would present the Bureau of Land Management with a Pandora's box we would never be able to handle. I think the current count is about 700 counties that were thought to be affected by the PILT payments. That number would expand it to something like 19,000 units of government under this recent ruling.

Mr. Petty. As a matter of interest, we are already in court in a school district in Arkansas, which says townships are involved, too; so I don't think we're through with the litigation.

Senator McClure. I don't suppose your $400,000 for administrative expenses is going to do the job either, if you have to do all of that.

Mr. Petty. I doubt it would be physically possible to make the payments, regardless of the amount of money that we could get.

Senator McClure. What will the Department do with the fiscal year 1983 money? Will you be able to obligate it by September 30, or will it have to go into an escrow account pending the resolution of this issue?

Mr. PETTY. It's pure speculation at this point, but my guess is that we would not be able to obligate it under the normal rules that we have to follow in obligating funds. Normally, in order to obligate, you've got to have a payee and a definite amount owed. At this point in time, without some way of determining that, I don't know how I could figure the obligation. You would have to go to GAO to find out. But my guess is that GAO would say it could not be obligated.

Senator MCCLURE. Will the Department urge the Justice Department to appeal to the Supreme Court?

Mr. CARRUTHERS. Not necessarily. We have asked for a hearing now that has been turned down. We will address it with the Solicitor's Office who is our representative with the Department of Justice; but, Mr. Chairman, I think we are going to need some legislative relief to handle this problem.

Senator MCCLURE. That indicates you have already made a decision not to appeal?

Mr. CARRUTHERS. No, sir. I said I believe we are going to need that legislation anyhow. If you look at the judicial process and ask the question if we can make payments this year, and we are beginning to get calls from counties right now that want to know if they can count on their money being forthcoming, we are having to tell them, no, we can't tell you. Because if we go through the appeals process, there is no assurance that we can complete the process, and/or that we can win in that process. Some lawyers believe that the interpretation of the law is a fair one; and, therefore, we might need to revisit the law and be a little more specific.

Senator MCCLURE. Have you asked GAO for an opinion as to the legality of the fiscal year 1983 obligations?

Mr. CARRUTHERS. I have not personally asked GAO, no.

Mr. PETTY. No, sir, we have not.

Senator MCCLURE. Do you plan to?

Mr. PETTY. We are going to have to do that before much longer. We're in a real quandary right now as to really what to do. We should be gathering data right now as preparatory work to making these payments.

### RETROACTIVE PAYMENTS FOR PILT

Senator MCCLURE. Do you have any preliminary estimate of what it would cost if the court ruling provides for retroactive payment with interest to units of government now potentially eligible for payment?

Mr. PETTY. In the denial of the rehearing, we did get that much—that it would not be retroactive.

Senator MCCLURE. You wouldn't be required to pay these that haven't already got it?

Mr. PETTY. That's right.

Senator MCCLURE. By what tortured logic did the court come to that conclusion?

Mr. **Burford**. When I was in the State legislature, it was always my position to never question the other branches of government.

Senator **McClure**. Well, that's not really the way we function up here. [Laughter.]

Mr. **Petty**. Mr. Chairman, we did address that point; or at least we asked the Justice Department to address it, and they did. The information that I have is that the ruling is prospective, not retroactive, and that the court will not entertain a rehearing.

Senator **McClure**. Well, that is quite interesting, because if somebody was supposed to have gotten the money and they didn't get it, it seems to me that they have a right to ask for it, and if we have paid it out to somebody that wasn't supposed to get it, you either have to make it up out of the Treasury or go after them to get it back.

Mr. **Carruthers**. I believe that's the quandary, Mr. Chairman. We paid out exactly the right sum of money; and they may be faced, as another unit of government, with arm wrestling with the county or some other jurisdiction to get it back. Perhaps we ought to insist on that occurring instead of the Federal Government being involved.

Mr. **Petty**. As I recall, about $700 million was paid out over the life of this program; and if we had to make payments retroactively, presumably we would be in a position of trying to collect $700 million to pay it out to someone else.

## O&C TIMBER MANAGEMENT

Senator **McClure**. You are proposing a reduction in O&C timber sales preparation of $361,000. This reduction is the cost difference between preparing and offering 1.1 billion board feet of new timber and preparing and offering 1.049 billion board feet of new timber, in conjunction with reoffering 51 million board feet of timber on which earlier purchasers have defaulted. And the page I am referring to is page 273 of the justification.

What is your estimate of 51 million board feet of timber defaults based on?

Mr. **Burford**. Senator, it is the estimate we made at that time.

Senator **McClure**. What did you base it on?

Mr. **Burford**. We based the estimate upon past defaults and what it looked like the market was at that time.

Senator **McClure**. Does the Secretary have the authority to extend the grace period beyond fiscal year 1983?

Mr. **Burford**. Yes, sir.

Mr. **Carruthers**. I believe so.

## WILD HORSE AND BURRO RESEARCH

Senator **McClure**. Has BLM and the National Academy of Sciences finished all the wild horse and burro research it has planned?

Mr. **Burford**. Yes, they have.

Senator **McClure**. Could you provide copies for the committee files?

Mr. Burford. Yes; I had assumed copies were up here.

We had a briefing up here, and I assumed there were copies up here.

Mr. Carruthers. We will furnish those.

Senator McClure. Thank you.

[The information follows:]

## Letter From Frank Press, President, National Academy of Sciences

October 29, 1982

Robert F. Burford, Director
Bureau of Land Management
U.S. Department of the Interior
18th and C Streets N.W.
Washington, D.C. 20240

Dear Mr. Burford:

It is my pleasure to transmit to you a copy of the final report "Wild and Free-Roaming Horses and Burros," prepared by a committee of the Board on Agriculture and Renewable Resources. This report is the culmination of a three-year study mandated by The Wild Horse and Burro Act of 1971 (Public Law 92-195) as amended by The Federal Land Policy and Management Act of 1976 (Public Law 94-579) and The Public Rangelands Improvement Act of 1978 (Public Law 95-514).

I do hope that the information in this report will be helpful to BLM and the Secretary of the Interior and to the Forest Service and the Secretary of Agriculture in the decision-making process for the management of wild and free-roaming horses and burros.

If we can be of further assistance, please do not hesitate to call upon us.

Yours sincerely,

Frank Press

Frank Press
President

### WILD AND FREE-ROAMING HORSES AND BURROS

### NOTICE

The project that is the subject of this report was approved by the Governing Board of the National Research Council, whose members are drawn from the councils of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The members of the Committee responsible for the report were chosen for their special competences and with regard for appropriate balance.

This report has been reviewed by a group other than the authors according to procedures approved by a Report Review Committee consisting of members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine.

The National Research Council was established by the National Academy of Sciences in 1916 to associate the broad community of science and technology with the Academy's purposes of furthering knowledge and of advising the federal government. The Council operates in accordance with general policies determined by the Academy under the authority of its congressional charter of 1863, which establishes the Academy as a private, nonprofit, self-governing membership corporation. The Council has become the principal operating agency of both the National Academy of Sciences and the National Academy of Engineering in the conduct of their services to the government, the public, and the scientific and engineering communities. It is administered jointly by both Academies and the Institute of Medicine. The National Academy of Engineering and the Institute of Medicine were established in 1964 and 1970, respectively, under the charter of the National Academy of Sciences.

This study was supported by the Bureau of Land Management, U.S. Department of the Interior and the Forest Service, U.S. Department of Agriculture.

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## EXECUTIVE SUMMARY

1. This report completes a "research study" assigned to a National Academy of Sciences (NAS) Committee by the Public Rangelands Improvement Act of 1978 (PRIA) and agreed to in a contract between NAS and the Bureau of Land Management (BLM) of the U.S. Department of the Interior. The contract specified that the Committee proceed in three phases: (I) review existing knowledge on wild horses and burros and design a research program, (II) evaluate horse and burro research contracted by BLM, and (III) submit a final report recommending management programs for wild horses and burros.

2. In December 1980 the Committee completed Phase I by issuing a 382-page report. During Phase II, the Committee evaluated five discrete research projects, a small fraction of the program recommended in Phase I. This report completes Phase III.

3. Ecological niches to which Pleistocene equids related do not exist today, and no other animals in the contemporary North American fauna would have the same niche relationships as the modern-day equids, with or without the latter's presence.

4. From annual agency censuses, reports from individual areas, and from the fractions of young in populations, statements have been made that horse and burro populations typically increase at rates ranging from 16 to 22 percent per year. However, the Phase I Report explored several biases in the census data, cited or calculated rates of increase based on a number of published values for reproductive and survival rates, as well as sex and age ratios, and concluded annual rates of increase of 10 percent or less. A recent study documented high increase rates in two Oregon herds. More data are needed to gain a better sense of the range and typical magnitude of the rates.

5. Although there is some evidence of density-dependent processes in feral (in this report "feral" is used interchangeably with "wild") equid populations, they do not appear effective enough to self-limit populations below levels at which they significantly impact the vegetation. Starvation has been observed in some horse herds and reported for some burro populations.

6. In response to congressional concern for the condition of public rangelands, as expressed in the PRIA and by the general sense in which the Act used the term "excess," the Committee has considered "excess" as that number of large herbivores exceeding the number that (a) allows a range ecosystem to exist at some condition approaching its potential productivity, or prevents it from becoming as productive as feasible; and (b) permits a plurality of resources and uses.

7. The concept of excess also has a sociopolitical component. Different vegetation types and combinations of herbivorous animals, all meeting the above two criteria, are possible within the potential for a site. Decisions on which of these options to feature in a management plan are sociopolitical rather than biological ones, and deviations from an agreed-upon option can constitute excess.

8. Proper management plans for a given area require a strong information base on (a) biological potential for the area; (b) numbers and combinations of herbivorous animals that can safely be carried on it; (c) kinds and amounts of forage and habitat required by the animals; (d) effects of herbivores on vegetation and on each other; (e) effects on soil and hydrology; and (f) an understanding of economic and social values associated with the area.

9. Assessing site potential in western North America is beset by extreme spatial and temporal variations. Primary production on a given area may vary between years by a factor of 2 or more.

10. Given the extreme variability, range managers advocate a conservative grazing policy, in some cases setting stocking levels appropriate for average forage production, and, in the case of overused range, stocking in the range of 65 to 80 percent of average forage production. In practice, grazing capacities are not often

determined, and stocking decisions are more often made on the basis of a range trend.

11. Horses have been found to be primarily grazing animals with considerable dietary overlap with cattle. The Phase II study in the Wyoming Red Desert showed that shrubs provided between 25 (in summer) and 35 (in winter) percent of the diets of horses. Cattle, too, were using appreciable amounts of shrubs.

12. The Phase II Colorado State University study indicated that mares consumed 14 percent more forage dry matter than did cows. The disparity was greater between lactating animals, less between nonlactating ones. This finding supports the BLM policy of assigning a higher animal unit month (AUM) rating to horses than to cattle. However the study found no relationship between horse body size (range 367 to 578 kilograms (kg) and forage consumption.

13. Except for protein, cows digested nutrients more thoroughly than did mares, possibly in part because food material passed through the cows more slowly. By moving the material through more quickly, the horse may be able to compensate for low-quality forage by consuming a greater total aggregate of scarce nutrients.

14. The Phase II habitat preference and use study in the Wyoming Red Desert showed horses occupying all areas used by cattle, but cattle were distributed over only a small fraction of the areas utilized by horses. Cattle remained close to water year round, horses only in spring and summer. During the seasons of coexistence, horses and cattle segregated to some degree among different vegetation types. If competition for forage occurs, it is most likely during spring and summer in the vicinity of watering areas. Pronghorn antelope distribution closely followed that of horses.

15. Based on the Red Desert forage-impact study, winter stocking rates as high as 8 animal unit days (AUDs) per hectare (ha) are unlikely to produce undesirable changes in plant communities. But summer use of about 3 AUDs per ha is likely to be excessive. Such values are applicable only to other areas with similar vegetation, soils, and climate and need to be established for other areas with site-specific studies.

16. Recent range-management research shows the mutual benefit to grazing animals and vegetation of short, intensive grazing periods. This is obviously difficult to accomplish with feral equids, but should be explored.

17. Almost no formal research has been carried out on the impacts of feral equids on hydrology, and there is no alternative at this stage but to assume that their effects are similar to those of livestock. Abundant research shows that heavy, continuous grazing promotes soil erosion and accelerates runoff. However, measurements of soil and watershed parameters do not differ statistically between ungrazed pastures and those with light or moderate grazing. Riparian areas are especially attractive to grazing animals and are subject to alteration.

18. Soil loss constitutes irreversible change on a time scale measured in human lifetimes and undercuts the regenerative abilities of plant and animal resources. Populations of any herbivores--livestock, feral equids, or wildlife--must be considered in excess if they reach numbers that so alter the vegetation as to promote soil erosion.

19. The effects of feral equids on wild ungulates can be beneficial or harmful, depending on the similarity or complementarity of their food and habitat preferences and on their numbers and intensity of resource use. Since horses are primarily grazers, it is reasonable to expect them to have a beneficial effect on the primarily browsing and/or forb-feeding ungulates--deer, moose, pronghorn antelope, and elk--on ranges in reasonably good condition. However, on severely degraded ranges, diets of different species tend to converge, and competition is possible.

20. Competition between cattle and Rocky Mountain bighorn sheep, both grazers, has been inferred in several cases and between horses and bighorns in two. According to numerous investigators, the more precariously situated desert bighorn subspecies have been affected by cattle, domestic sheep, and goats; several have implicated competition with wild horses.

21. A 40-year publication history chronicles a wide range of research and investigators, some of whom conclude that wild burros compete with desert bighorns for water, vegetation, and/or space and have been one factor in sheep decline. Where such effects risk the survival of bighorn populations and public attitudes deem that the bighorn be saved, burros must be considered in biological excess in such areas.

22. Wild horse and burro census methodology will continue to rely on some form of aerial technique, but the present method misses animals, the percentage depending on the nature of the terrain and vegetation. Fixed-wing aircraft census in gentle topography with low vegetation in the Phase II research located about 93 percent of horses present, but in a wooded mountainous area it counted only 40 percent. Helicopter census in the same area counted 48 percent. If accurate census is desired in such areas, and for burros, some form of capture-recapture or removal method will be necessary.

23. Census findings imply that there are more horses in the western United States today than estimated and that there were more in 1971 than the 17,000 sometimes claimed. However, those animals and their forage demands, whatever the correct values, still comprise a minor fraction of the domestic livestock and/or wild ungulates. The comparative numbers are more nearly similar in some grazing districts with few livestock and large horse populations.

24. Annual censuses do not appear necessary. It should be possible to manage herds adequately with one census every 2 or 3 years.

25. Herd growth rates would be reduced by removing mares of the more fecund age classes, but the effect would be short-lived and less effective than appears at first glance because of the interaction of herd growth, the periodic nature of round-ups, and the small fraction that these mares constitute of the total herd. The practice could also incur some logistic problems.

26. There is evidence that a small number of horse and burro foals are left behind and orphaned during round-ups.

27. A significant fraction of pregnant mares, perhaps approaching half in some cases, apparently abort their fetuses as a result of round-up, penning, transportation, and adoption.

28. If animals need to be chemically immobilized for administering antifertility drugs, combinations of etorphine and xylazine show promise. Succinylcholine is not recommended.

29. Despite positive results reported by one investigator, reducing horse reproductive rates by chemosterilizing dominant band stallions does not appear promising, because the two preconditions for success--a dominant stallion responsible for all breeding and the lack of movement of mares betweeen bands--have not held true in horse populations in Wyoming, Oregon, Montana, and New Mexico. Two observers object to this practice on the grounds that it blocks gene flow from the genetically superior animals. It also appears logistically unfeasible for herd reductions over a large geographic area.

30. Long-term fertility control in mares by injecting or implanting steroid compounds appears to have potential but has not received appreciable study. Such research should begin with captive or domestic animals.

31. A number of changes in public and government attitudes and policy regarding wild horses and burros have occurred since completion of Phase I. These include changes of opinion among the various interest groups, newly proposed policies in BLM, and pending

legislation. The effects of new wild horse and burro management policies cannot yet be predicted.

32. Public opinion, along with biological factors, will continue to be a major force in shaping decisions on wild horse and burro management. A firm understanding of the nature and geographical distribution of public attitudes, and their consideration in formulating management policies and procedures, are vital to the smooth facilitation of management programs. Also, the agencies involved need to be aware of the attitudes among their own personnel.

33. Land-use planning systems will continue to be controversial, because of data inadequacies and the difficulties of reconciling the mandates of single-purpose and multiple-use legislation.

34. In the present climate of economic austerity, adequate cost data are not available to ensure cost-effective management decisions. The uncertainty created by this lack of data affects the assurance and time frame of private decision making. Local and regional economics are likely to be affected, particularly in regions heavily dependent on the livestock industry.

35. Sound and effective equid management programs require a firm base of scientific information. The Phase I Report prescribed a long-term equid research program, 7 to 10 years at the very minimum. Such a program can best be administered in BLM by an expanded in-house scientific staff advisory to fairly high-level administrative positions.

## INTRODUCTION

### Basis for This Report

This report, along with the appended research documents, is the final step in the "research study" mandated by Congress in Sec. 14(a) of the Public Rangelands Improvement Act (PRIA) and agreed to in Contract No. AA551-CT9-16 between the National Academy of Sciences (NAS) and the U.S. Department of the Interior, Bureau of Land Management (BLM).

The 1971 Wild and Free-Roaming Horse and Burro Act directed that "The Secretary [of Interior and of Agriculture] . . . shall consider the recommendations of qualified scientists in the field of biology and ecology. . . ." The Act was the predecessor of that provision in PRIA calling for a study of wild horse and burro problems. Actually, an amendment to the Wild and Free-Roaming Horse and Burro Act, Sec. 14(a) of PRIA, directed the President of the National Academy of Sciences to impanel a committee to outline a research study that would further knowledge ". . . of wild horse and burro population dynamics and their interrelationship with wildlife, forage and water resources, and assisting him [the Secretary] in making his determination as to what constitutes excess animals."

The intent of Sec. 14(a) was actualized by a contract between NAS and BLM in May 1979, which specified that NAS would bring together a committee of scientists. Pursuant to the Act and the contract, the Committee's work was to be carried out in three phases:

Phase I, June 1979 (first meeting of Committee) to October 31, 1979:
Review existing knowledge on wild horse and burro populations, forage requirements, impacts on other rangeland resources, and socioeconomic relationships of population control and management.

Phase II, November 1, 1979, to January 31, 1982:
Evaluate horse and burro research under contract by BLM.

Phase III, February 1982 to October 31, 1982:
Prepare and submit to BLM a final report that would contain recommendations and ". . . summarize scientific information upon which the Secretaries of Interior and Agriculture can make their recommendations to the Congress as to management of the wild horses and burros."

A Committee was duly appointed in 1979, and it proceeded with Phases I and II. This report constitutes the completion of Phase III.

## Review of Committee Operations

### Phase I

The Committee began Phase I in June 1979 with its first meeting in Salt Lake City. At that time members were assigned topics on which they were to review literature and available unpublished data and write sections for the Phase I Report. Members were also asked to specify and design research projects needed to fill in knowledge gaps that they detected in the course of reviews.

Toward completion of Phase I, the group also met in Reno, Nevada, in July 1979 (along with a day-long public hearing); in Laramie, Wyoming, in September 1979 (along with participation in an equid conference organized by the University of Wyoming); in Davis, California, in February 1980; and in Las Vegas, Nevada, in June 1980 (along with a BLM and National Park Service-sponsored field trip to burro problem areas in California, Arizona, and New Mexico).

The Committee completed a 382-page Phase I Final Report in December 1980. It contains an exhaustive review of what was known in 1979-1980 about wild horse and burro biology, management problems, and socioeconomic aspects of horse and burro issues and a proposed research program designed to provide a more complete basis for horse and burro management, as requested in PRIA.

The report was duly conveyed to BLM, and at that point Phase I of the BLM-NAS contract was completed. Because of its size, and the fact that it is self-contained, the Committee has elected not to incorporate the Phase I Report in this document, but its Executive Summary is attached hereto as the Appendix.

The Committee believed that this report could serve both as a useful reference volume for individuals concerned with feral (in this report "feral" is used interchangeably with "wild") equid management and as perspective for the recommended research program. The Committee recommends that the Phase I Report be more widely distributed to Bureau personnel than apparently has been the case and to others interested in feral equid management.

### Phase II

Anticipating that the Phase I analysis would take considerable time, the Committee filed an interim report in November 1979 recommending several high-priority research projects that, the members concluded, should get under way as soon as possible. As stated in the BLM-NAS contract, House and Senate conferees on PRIA had concluded that the research program should span at least two horse/burro breeding seasons, and with spring 1980 approaching it was necessary to take the first steps toward getting the research under way.

Phase II was formally begun with a meeting in Logan, Utah, in early December 1979, between BLM officials and three members of the Committee. The purpose of the meeting was to begin drafting requests for proposals for four research projects designated high priority for early activation:

- comparative habitat selection by horses and cattle
- range impacts by horses and cattle
- comparative nutrition of range horses and cattle, and
- horse and burro census

Working on a very tight time frame, BLM announced Requests for Proposals (RFPs) in early 1980 and received proposals in ensuing weeks. Two meetings were held in Denver in the spring of 1980 between BLM officials and selected Committee members to review proposals. At Committee invitation, David R. Anderson, Leader of the Utah Cooperative Wildlife Research Unit, also participated in the Logan RFP meeting and one of the Denver proposal-review meetings. BLM awarded two contracts in May 1980--one to the University of Wyoming for the habitat-selection and range-impact studies, and one to Colorado State University for the nutrition study--and a third in July 1980 to the University of Minnesota for a census project to be carried out in Nevada and Oregon.

Both in a Discussion Paper presented by BLM and the Forest Service to NAS on March 6, 1978 (Anonymous, 1978) and in the BLM and the Forest Service to NAS contract, attention was given to socioeconomic considerations of wild horse and burro management. PRIA itself raises the question of whether excess animals should be removed, destroyed, sterilized, or left to "natural controls." The Committee concluded unanimously that cost and public preferences, as well as the agency's ability to implement the various strategies, must be considered in both defining excess and in selecting among these options. Furthermore, as we will discuss later in this report, the concept of excess, which appears repeatedly in PRIA and the BLM-NAS contract, has social and economic dimensions.

Hence the Committee gave considerable attention to socioeconomic issues in the Phase I study and prescribed several research projects in the areas, two of which were accorded top priority. In late 1980 and early 1981, material was provided for RFPs, and two Committee members traveled to Washington to confer with BLM officials on the matter. However, RFPs were never issued nor was any research initiated in the socioeconomic area.

In early 1981, RFPs were issued for a study of horse and burro pregnancy rates throughout the West in order to provide more insight into the magnitude of reproductive rates. Proposals were reviewed at a June Committee meeting in Rock Springs, Wyoming, and BLM awarded a contract on this study in July to Utah State University. This same meeting culminated a 1-week field trip that included site visits to research locations and problem horse areas in Oregon, Nevada, and Wyoming. And the meeting included a half day of project reviews by investigators involved in the BLM-sponsored equid research projects. In October 1981, the University of Minnesota contract on census methods was amended to include investigations on horse survival rates in Oregon and Nevada.

The University of Wyoming and Colorado State University projects have been completed at the time this report is submitted. The reproductive study, originally scheduled for two years, is being terminated after one because of reductions in BLM round-ups. Thus, the six projects represent the total amount of research carried out in compliance with the mandate of PRIA and Phase II of the BLM-NAS contract.

## Scope of the Phase III Report

As stated above, PRIA calls for research on ". . . wild horse and burro population dynamics and their interrelationship with wildlife, forage and water resources . . . ." The contract sets forth these same areas in more detail, as well as other topics.

In an effort to comply with the breadth of research intended in these two documents, the Committee proposed a research program divided into 21 separate titles and subtitles, several of which were to be replicated in three or four areas of the West, and many of which were to be conducted on both horses and burros. These are shown in Table 1. In the Committee's judgment, this array of projects was needed to provide the foundation of knowledge called for in the Act, and upon which its authors intended that a sound horse and burro management program would be based.

This is an extensive research program, considered the ideal by the Committee. A minimum program would perhaps include at least the two top priority levels shown in Table 1. Yet the five completed and one ongoing projects constitute less than a fourth of this minimum need for Phase II; a very limited research program on horses and, with the exception of the pregnancy study, none on burros. Furthermore, none was conducted on the socioeconomic questions.

This shortfall is mentioned here to make it clear at the beginning of this report that the full range of questions posed by the authors of PRIA cannot be answered at this time. The Committee will address those questions as best it can, drawing on the results from the limited research that has been undertaken, the findings of its Phase I study, both published and unpublished data, and its own professional experience. But many of those questions will remain unanswered until a commitment is made to an appropriate research program. Meanwhile, this report will be relatively limited in terms of the full scope of horse- and burro-management problems.

## SOME MANAGEMENT-RELATED QUESTIONS ABOUT EQUID BIOLOGY

Among the contentious issues in wild horse and burro biology and management, some questions will not be resolved until enough research has been conducted to provide convincing evidence. Some, however, turn at least in part on semantic or conceptual problems, and some light can be shed on these aspects from existing biological knowledge or theory. It appears to the Committee that clarification of some of these problems will contribute to a common understanding by those concerned with the subject. In this section, we explore several of these.

### Questions About Niche

The question is periodically raised as to whether contemporary North American wild horses and burros are merely "reoccupying" niches in the North American ecosystems previously "occupied" by the now extinct Pleistocene equids. It is well documented in the paleontological literature that the mainstream of equid evolution occurred in North America. Eurasian and African species originated from closely related forms that spread from North America prior to the Pleistocene extinction of *Equus* on this continent 8,000 to 12,000 years ago. The North American fossil record contains close relatives of every living African and Eurasian species of *Equus* except the unique African quagga. In one case, the wild horse (*E. caballus*) in Eurasia is thought to be the same species as its fossil counterpart in North America (Bennett, 1980).

Contemporary North American wild horses are variously claimed, depending on the claimant and the locale, to be the wild-mustang descendants of domestic horses introduced by the Spaniards in the sixteenth century, or of miscellaneous cavalry mounts, work horses, and saddle animals escaped or abandoned more recently. Contemporary wild burros are generally acknowledged to be the descendants of beasts of burden released or escaped within the past century or two.

TABLE 1 Research Projects Prescribed in Phase I

| | | Projects |
|---|---|---|
| Initiated (x)<br>Project Title | Horses | Burros |
| Priority 1 | | |
| 1a. Habitat Preference and Use | | x |
| b.[1] | | |
| c. | | |
| 2. Food Consumption Rates and Nutrition | x | |
| 8a. Grazing Impacts on Plant Communities | x | |
| b.[1] | | |
| c. | | |
| 17. Census Methods | | x |
| 5a. Demography--Natality | | x |
| x | | |
| 4. Blood Assays | | |
| 9a. Hydrologic Values | | |
| b.[1] | | |
| c. | | |
| 11b. Public Preferences for Alternative Management Strategies | | |
| 13 Nonmarket Values | | |
| Priority 2 | | |
| 7. Genetic Polymorphism | | |
| 14. Economic Considerations for Management Alternatives | | |
| Priority 3 | | |
| 5b. Demography--Survival | | x |
| 10a. Riparaian Zone Impact | | |
| b.[1] | | |
| c. | | |
| 11a. Taxonomy of Values and Benefits | | |
| Priority 4 | | |
| 3. Nutritional Plane, Condition Management and Reproduction | | |
| 6. Social Structure, Feeding Ecology, Population Dynamics | | |
| 11c Public Attitudes, Preferences, and Knowledge | | |
| 12. Analysis and Evaluation of Demand for Excess Equids | | |
| 15. Nonmarket Values | | |
| 16. Conceptual Development of Public Rangeland Management Models | | |
| 18. Contraception Studies | | |
| Unprioritized | | |
| Age Criteria[2] | | |

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[1] The Phase I research design recommended that Projects 1, 8, 9, and 10 be replicated in three or four different areas of the western United States.

[2] A project on age criteria was not originally advocated in the Phase I Report. But since then, the need for such a study has become apparent and is therefore included here.

The whole subject of niche in ecology has become increasingly mathematical and complex, and an extensive literature discusses niche measurement, niche breadth, and niche overlap between species. The concept has become a highly abstract one involving the aggregate of all relationships between a species and its environment in contrast to some space within that environment which the species physically occupies. In this sense, the question of whether the Pleistocene equid niches still exist is really a question of whether the contemporary environments and biota are similar to those of Pleistocene North America.

Aside from the question of climatic changes over the past 10,000 years, the western North American biota has changed profoundly in that period. As discussed in the Phase I Report, there is no evidence pointing to the evolutionary loss of plant defenses to grazing and browsing since the Pleistocene large mammals disappeared. But several authors (Young et al. 1976, 1979; Mack and Thompson, 1982) have emphasized the lack of such defenses in Great Basin plant species and the consequent vegetation changes following livestock introduction. Those changes have not only involved alterations in perennial plant composition, but also the introduction of exotic, annual plant species which may have displaced the natives (Mack, 1981).

Hence the Intermountain vegetation today is changed from that which prevailed during the Pleistocene and at the time of European settlement. That vegetation was evidently vulnerable to heavy use by herbivorous mammals, possibly because it had existed for centuries or millenia in the absence of heavy browsing and grazing pressures. Changes have also occurred in other parts of western North America.

In addition to post-Pleistocene vegetation changes, there obviously have been marked changes in the North American fauna. Many of the other large herbivorous species, with which Pleistocene equids may have competed, are no longer present as competitors with the new equids, while contemporary animal life--domestic, feral, and wild--introduced new relationships. Further, most of the large carnivores present in the Pleistocene, which presumably preyed on the equids, are no longer present.

In short, the environmental gradients to which contemporary North American feral equids relate are different from those of Pleistocene times. Consequently the niches of the Pleistocene equids no longer exist, and the answer to the original question must be in the negative.

A corollary of the Pleistocene niche question that is asked periodically is whether wild horses and burros today are "occupying unfilled niches," irrespective of whether they are similar to the ones occupied by Pleistocene equids. This question proves to be somewhat circular. In the above sense, the animal in part defines its own niche. Its presence implies the presence of its niche and its occupation of it. Since there are no other species in the North American ecosystems very similar to feral horses and burros, other than their domestic counterparts, the precise niches of the contemporary equids would not exist if they were not present.

These points are raised here because both proponents and opponents of feral equids on the western ranges use the issue to support their positions. Proponents suggest the availability of Pleistocene niches as justification for the presence of the contemporary equids and imply that their presence is ecologically desirable in somehow restoring previously greater biotic diversity. But, as we have suggested, the western North American biota has changed, both through evolution and human influence, and contemporary feral equids are not precisely the same as their Pleistocene counterparts. It cannot be argued that ecological voids dating back 10 millenia exist and that the introduced forms are restoring some kind of earlier integrity.

Opponents view contemporary equids as exotics (in the ecological sense of an introduced species) and therefore more likely to damage western ecosystems severely than native herbivores that have coevolved with the vegetation. But there does not appear to be any reason to assume that wild horses and burros would cause any more disturbance than comparable numbers of domestic livestock, except for the fact that the equid caecal digestive system requires somewhat more forage than a ruminant system in an animal of similar weight. Furthermore, uncontrolled numbers of native herbivores can also cause vegetation damage. In the final analysis, severe damage to vegetation, whether by native or exotic herbivores, can be prevented by limiting population density of all species involved.

## What Are the Increase Rates?

One of the disputed questions regarding wild horses and burros is the rate at which their populations increase. The authors of PRIA and the BLM-NAS contract undoubtedly intended that the research recommended on population dynamics and census methods would serve to resolve this question. However, available funds permitted only two studies, one of horse and burro pregnancy rates across the West and one of horse survivorship in Nevada added to the ongoing census research. The problems were discussed at length in the Phase I Report and will only be briefly reviewed and updated here.

BLM and the Forest Service began systematic attempts to tally horse and burro populations around 1969-1971 and reported the overall 1971 horse population at around 17,000 animals. Recently, the herds were reported to number in excess of 50,000. These numbers suggest an annual increase rate of 16 to 17 percent. Reports from some individual areas and rough calculations, often based on fractions of young observed, have resulted in estimates of 18 to 22 percent rates of increase for both horses and burros. The Committee has been concerned about these high rates of increase, since most experience with large mammals and with domestic horses does not support such growth rates. In the Phase I Report, several lines of evidence pertaining to horse and burro censuses were reviewed. These included such factors as shifts from fixed-wing to helicopter censuses, increasing experience of observers, and various other factors, including season, herd sizes, vegetation cover, and topography. Census data from BLM files were analyzed and showed a substantial increase with shifts in mid 1970s from fixed-wing aircraft to helicopters. This difference has been borne out in part by the census research project carried out in Phase II (Siniff et al., 1982) where horses were censused in two Nevada areas with both fixed-wing aircraft and helicopters, the latter disclosed statistically more animals than did censuses with the relatively fast Cessna 180. Results with the Piper Super Cub were slightly lower than with the B-2 helicopter, although the difference was not statistically significant.

An important unknown in the early data is simply whether or not the "estimates" were anything other than educated guesses in many situations. Discussions with BLM field staff indicate that the first requests for estimates caught them with virtually no direct counts. Many area managers and wild horse and burro specialists feel that only a few of their areas have been censused accurately over the years and that data on the other sites are of uncertain accuracy. We thus believe that estimates of totals and rates from the early years will remain in question and that various improvements are needed if accurate data are to be available for future management.

Approaching the question of population increase rates from the point of view of population dynamics, several biologists have calculated rates of increase on the basis of various assumptions and data on population parameters. Again, much of the detail on such rates and the sources appear in the Phase I Report.

Three investigators (Conley, 1979; Wolfe, 1980; Wagner, in the Phase I Report) performed these kinds of calculations and concluded that the annual increase rates for horse populations implied by published information from several studies on reproductive and survival rates must be considerably lower than the 16 to 18 percent commonly inferred from censuses and might conceivably be below 10 percent. Eberhardt et al. (1982) have since reported apparent high rates of increase shown by population censuses of two Oregon areas, and suggest some of the demographic conditions that need to prevail if populations are actually to increase at these rates. One of these conditions is very low adult mortality. A research project is under way in two Nevada areas using radiotelemetry to provide estimates of mortality, and the preliminary findings suggest that it may indeed be quite small in these two areas.

In the final analysis, increase rates are undoubtedly subject to a variety of environmental pressures: (1) year-to-year variations in forage conditions associated with annual weather variations within individual areas; (2) variations between areas in the average climatic and forage conditions; (3) variations in forage conditions associated with different equid population densities; and (4) variations in forage conditions associated with use by other herbivores, both wild and domestic. The rates are likely, therefore, to vary in both space and time. It will require considerably more research before the relationships between these variables and herd-increase rates can be quantified, and models developed that will predict increase rates for any given set of values of those variables.

## Will They Self-Limit?

The question of how and whether wild horse and burro populations will limit their own population increase, or should be limited by human intervention, has been raised repeatedly by different persons concerned about the issue, and from differing points of view. The problem is really part of the more general animal ecological question of how animal populations are prevented from indefinite increase, and where wild equids fit in this scheme.

In general, populations of different animal species are limited by one or more of three classes of factors: (1) factors such as predation, inclement weather, and competition with other species that are external (or extrinsic) to the population and that kill animals and/or reduce reproductive rates, (2) exhaustion of a food or habitat resource by the animals of a population itself, and (3) limitation of a population by its own behavioral mechanisms at levels below which a resource is exhausted (i.e., "self-limitation"). Every animal species is limited by one or some combination of these.

If the effects of these factors on a population vary from year to year, as most factors do, and the variations are unrelated to the population's density, they are said to be "density-independent." In essence, they operate at random with respect to the population size, and by implication their relative effects do not vary regardless of how numerous or scarce the population becomes. A population existing through time solely under the influence of such factors will fluctuate at random and sooner or later vary to extremely high or extremely low numbers.

In fact, in animal populations that have been studied, one or more environmental factors has/have been shown to operate more stringently when a population reaches high density and to ease its/their effect when a population declines to low numbers. Such factors are said to be "density-dependent." They are most commonly held to be among the factors of classes (2) and (3) above.

Population ecologists have distinguished two patterns of population behavior: (1) absence of net increase or decrease for specified periods of time (termed "equilibrium") irrespective of the density at which this is achieved and (2) the mean density at which equilibrium is attained (F. H. Wagner, 1969, 1981, for amplification). A substantial school of thought, though not all population students, holds with the equilibrium concept. Advocates reason that a population existing through time solely under the influence of density-independent factors would fluctuate at random and sooner or later vary to extremely high or low numbers. According to this view, density-dependent factors provide a buffering effect, or "regulate" a population, preventing it from fluctuating to extremes.

The more relevant pattern for our discussion here is the question of what factors determine mean density or "limit" a population. Both density-dependent and density-independent influences serve this role. Some populations appear to be limited largely by one or the other of these classes of factors, others by combinations of the two.

The relative importance of these in equid populations is central to any herd-management philosophy. If wild horse and burro populations limited their numbers primarily with density-dependent mechanisms to levels below which there was any serious impact on their resources, it could obviate any need for herd reductions. Alternatively, if herds by nature increased to the point of serious impact on the vegetation, or other components of the ecosystem, and on themselves, this would present a different set of decision options in terms of what is best for the resource and the animals and how such management decisions would be implemented.

As an example of the diversity of views on this topic, Downer (1977) has argued that equid populations would limit their numbers at densities below which they would significantly damage the resources if allowed to assume those levels undisturbed.

Ryden (1978:295-296) inferred a similar capability in the Pryor Mountain wild horse herd and has frequently commented on the density-dependent tendencies in horse populations. But she has also agreed that horse populations have increased since passage of the Wild and Free-Roaming Horse and Burro Act of 1971; that their populations might increase to levels at which they seriously impact the vegetation; and that, in some areas committed to horse populations, it might be appropriate to allow them to increase without human control, even if it meant heavy vegetation damage. Population limitation would be achieved by reduced reproductive rates resulting from malnutrition and starvation. (This in itself would be a density-dependent process, but at densities where considerable damage would be done both to other components of the ecosystem and to the horses themselves.)

The Bureau of Land Management's basic management philosophy has assumed that equid populations will, in the absence of human interventions, increase until range vegetation is irreparably damaged and the animals themselves suffer serious malnutrition and death. Since a major aspect of the Bureau's statutorily defined mission is to maintain range vegetation in satisfactory condition, horses must be removed periodically to achieve this goal.

There are few really effective data to indicate which of these population scenarios corresponds to the real world. There is some limited evidence of density dependence in feral equids. Pellegrini (1971) suspected self-limiting tendencies in the foaling patterns of the Nevada horse population he observed. Douglas and Norment (1977) presented circumstantial evidence, reviewed on pp. 85-86 of the Phase I Report, of density dependence in burro reproductive rates. On p. 66 of the same report, we observed some decline in the annual rates of horse population increase, as implied by BLM censuses, between the early and late 1970s.

But it seems unlikely to us that these tendencies are sufficiently effective to prevent populations from increasing to the point of significant vegetation impact. In the Phase I Report, we reviewed studies of two horse populations that had increased to the point of severe vegetation impact and starvation in some years. These were the Pryor Mountain herd in Montana studied by Hall (n.d.) in 1971 and the Sable Island herd off the coast of Nova Scotia described by Welsh (1975) where severe winter weather was the proximate cause of death.

As reported in the Phase I Report, the reproductive rates of these herds compared favorably with those of several other studied herds.

Cases of populations increasing to densities where they incur severe vegetation impact and malnutrition are commonly alleged, but seldom have been adequately described and documented. Three such cases of horse populations have come to our attention. The first two are the ones mentioned above. Former BLM employee Ron Hall (personal communication) observed the Pryor Mountain herd during the winter of 1969-1970. In an arid, topographically dissected area of sparse range forage, the horse population had increased to about 250 animals, about double the number the area could support in good condition, according to Hall's judgment. By late winter, the animals were pawing the ground in order to get at the roots of already grazed-off winterfat (Ceratoides lanata) plants. As spring arrived, some 10 to 15 animals died, while others were in a weakened condition. The winter was not exceptionally severe. On Sable Island, the large population had not been subjected to any human control for some years prior to the time Welsh (1975) conducted his study. Following the severe winter of 1971-1972, there was a ". . . large die-off . . ." (p. 241) in March and April, which reduced the population by a third due to the effects of extreme weather and forage availability. This was apparently characteristic of the population that historically had gone through periods of population increase only to decline from a combination of malnutrition and severe winter weather. A third case reported to us by Hall (personal communication) involved a horse herd west of the town of Gerlach, Nevada, that had increased for some years during the 1970s, and had been prevented from free-ranging movements by BLM grazing-unit fences. By the winter of 1977-1978, a winter of average weather conditions, the vegetation was in extremely poor condition, and the animals were seriously malnourished. As spring arrived, some 400 to 500 horses died. In the time available to the Committee, one or two reports of burro starvation have come to us, but without details or formal description. However, BLM officials in Arizona reported vegetation changes caused by burro feeding and showed us examples of such changes in the field near Lake Havasu in June 1980.

In their view, the first signs of burro effect are the thinning or disappearance of big galleta grass (Hilaria rigida). Subsequent changes include, sequentially, the destruction of ocotillo (Fouquieria splendens), breaking down major branches of ironwood (Olneya tesota) and palo verde (Cercidium microphyllum), and finally heavy use of white bursage (Ambrosia deltoidea). Ironwood and palo verde trees can become high-lined, with deer and mountain sheep thereby denied browsable foliage. These effects tend to be noticeable within 10 miles of permanent water, becoming progressively more marked as the water source is approached. Committee members were shown deformed palo verde trees in 1980, which reportedly were signs of burro activity.

We do not cite these examples to imply in any way that these kinds of severe impact are widespread or common in the wild horse and burro ranges of western United States. In fact, we have seen very few areas with heavy vegetation impacts, although we have asked the BLM to show them to us.

Our purpose here is simply to convey our impression that, while there may be some density-dependent tendencies in the demography of these equids, they do not appear effective enough to prevent populations from increasing to the point of significant impact on other ecosystem components. What population control policy this dictates depends on the management goal for any given piece of land. If the goal is solely equid management that is experimental and "natural" as possible, a laissez-faire approach may be appropriate. The equids and other ecosystem components could be allowed to seek their own balance. But where the goal is a multiple-use one, as set forth in PRIA, and there is concern for the values of other ecosystem components, it seems likely to us that horse and burro populations will need to be limited artificially by human action to avoid undesirable effects on other ecosystem components.

## IMPORTANT MANAGEMENT CONSIDERATIONS

### What Is Excess?

#### Excess Defined

The Congress repeatedly used the term "excess" in the Public Rangelands Improvement Act in relation to wild horses and burros. In Sec. 14(a) of the Act, it authorized the research study reported herein which was intended to assist the Secretaries of Interior and Agriculture in determining what constitutes excess. Given only this charge, the Committee could have outlined an array of management options ranging from multiple-use programs designed to accommodate livestock, native wildlife, and wild equids, to single-use areas set aside for equids; and from the maintenance of low-equid densities which competed minimally with domestic and wild ruminants, to high-density equid populations developed for maximum viewing and with little consideration for the effects on other ecosystem components. What constitutes excess, then, could take a number of forms relative to these alternatives.

However, the Act proceeds in Sec. 14(b) itself to define "excess animals" and thereby focus the Committee's attention on a limited portion of the array: " . . . wild free-roaming horses or burros . . . which must be removed from an area in order to preserve and maintain a thriving natural ecological balance and multiple-use relationship in that area." These references are clearly part of the broader concern in PRIA for the condition and improvement of the public rangelands:

> Sec. 2. (a) The Congress finds and declares that --
>
> (1) vast segments of the public rangelands are producing less than their potential for livestock, wildlife habitat, recreation, forage, and water and soil conservation benefits and for that reason are in an unsatisfactory condition; . . .
>
> (b) The Congress therefore hereby establishes and reaffirms a national policy and commitment to: . . .
>
> (2) manage, maintain and improve the condition of the public rangelands so that they become as productive as feasible for all rangeland values in accordance with management objectives and the land use planning process established pursuant to section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712). . .

For these reasons, the Committee has taken the intent of PRIA as its basis for considering the concept of excess, and this appears to contain two basic elements:

1. A concern for the condition of range resources approaching maximum or potential productivity
2. A concern for multiple-use management and a plurality of resources (livestock forage, wildlife, water, soils, and recreation, as well as wild equids)

Consequently, it has tried to focus the concept of excess within the context of these two tenets. But before considering some of the specific criteria for management programs that avoid excess, it seems desirable to analyze the concept in the abstract.

For each site, or tract of land, there is some vegetation potential in terms of the kinds and amounts of plant species. In theory, one could perhaps think of such a potential uninfluenced by herbivorous animals, and determined by climate, soil, and topography, and by competition between the plant species themselves. Of course, in reality no site is free of all herbivores, whether they are insects, small mammals, large grazers, or others.

The effects of these animals on the vegetation vary in kind and degree. Some actually enhance the performance of individual plants by grazing if it is not excessive. Thus McNaughton (1976) has emphasized the enhancement of vegetative production by moderate, large-ungulate grazing in African grasslands, an effect that has been observed in North America in relatively mesic grassland situations.

Consequently, herbivores in a sense can enhance the potential of some areas. But some grazing reduces plant production. Such is the case with excessive grazing, even in productive grasslands, and appears to be the case with virtually any level of defoliation in semiarid and arid regions (Cook, 1971; Sims and Singh, 1978; Hilbert et al., 1981; Lacey and Van Poolen, 1981).

These effects on individual plants ultimately affect the composition of plant communities, and in various ways. Plants of the different species in a community compete among themselves for space, water, light, and mineral nutrients. In free competition, without interference from other organisms, a community will gradually shift to a predominance of those plant species that are the most effective competitors.

In those cases where herbivory is detrimental to individual plants, the competitive balance between plant species can be altered. Grazing on the less competitive species will tend to hasten the dominance of the superior competitors and reduce community diversity. But grazing on the more effective competitors can impair their competitive ability, reduce their abundance, and facilitate the coexistence of the less aggressive species. The result is to increase the species diversity of the community.

Because herbivores produce these effects on the vegetation on which they depend, they ultimately affect themselves and each other in various ways. An herbivorous species that increases grassland production through moderate grazing can improve its own lot and that of other herbivorous species feeding on the vegetation. But if its grazing is excessive, it competes with other herbivorous species that consume the same plant species to the detriment of those species as well as itself. On the contrary, an herbivorous species that materially reduces an otherwise highly competitive plant species, and allows the increase of less aggressive ones, benefits those herbivorous forms that feed upon the now-increasing, uncompetitive plant species.

There are numerous examples of these animal interactions. Bison in pre-European North America were grazers with food preferences very similar to those of domestic cattle. Limited numbers of each could coexist today on the same area without detriment to each other as long as the common grass resource was not exhausted. But excessive numbers of each would undoubtedly lead to competition between them, and to the detriment of one or both. Similarly Rocky Mountain bighorn sheep are also primarily grazers. In some areas they appear to have suffered from competition with cattle and to have declined.

Some species are benefitted by the presence of others because of complementary feeding patterns. Pronghorn antelope are primarily shrub and forb feeders. Bison grazing in presettlement America applied pressure to grasses that allowed shrubs and forbs to coexist. Hence bison formerly, and probably cattle today, enhanced pronghorn numbers. Similarly, cattle grazing in the intermountain West promoted the increase of shrubby species in the mountains that were beneficial to deer. The latter increased in the twentieth century to densities unknown by the early settlers.

Clearly, each tract of land is capable of supporting a wide range of alternative vegetation types and combination of animal species, both wild and domestic. Many of these could be considered to be in "a thriving natural ecological balance" as alternative expressions of the potential of each tract. Of course, herbivorous pressures can be excessive, and vegetation production and abundance significantly reduced from their potential. This stage can lead to soil loss, alteration of the water budget, and reduced carrying capacity for the animals.

All of this may seem to be a circuitous route to assigning a meaning to the term excess. But it constitutes the background for saying that the term has both a biological and social aspect to it. Biological excess, in our judgment, exists when the number of herbivores present degrades the ecosystem to the point where it is producing goods and services well below its potential, and particularly where the long-term productivity and capacity for ecological recovery are impaired. Excessive water runoff and soil erosion might be indicators of this state of affairs.

Such excess can occur with only a single species of grazing animal, or with some combination of two or more. For an oversimplified example, if a given area can properly carry 1,000 grazing animals but has 1,500, then 500 are in excess. It makes no difference whether the 1,500 are horses, cattle, or a combination of both. An excess still exists, hypothetically assuming equal substitution. In effect, there is a carrying capacity for 1,000 mouths, and the 500 additional constitute the excess.

Which of these species of animals should be carried in a given area becomes one of human values or preference. Biologically, the area may be able to support 500 cattle and 500 horses, and may be carrying them. But if the weight of public opinion calls for 1,000 horses, the area can be said in this context to have an excess of 500 cattle.

For these reasons, the term excess has both biological and social components. In the above example, biological excess constitutes any number of animals, regardless of which class, above 1,000. Social excess depends on management policies, legal issues, and prevailing public preferences.

In summary, then, we consider excess of any large herbivores to be that number of animals which exceeds the number that allows a range ecosystem to exist at some condition approaching its potential (maximum productivity), or prevents it from becoming "as productive as feasible" and improve toward its potential.

Potential varies from locale to locale, depending on soil, climate, and other variables. Excess varies locally, depending on these variables and on the condition of the vegetation at the time of assessment. If the vegetation is in poor condition, excess may be a small number. If it is in good condition, an area may carry large numbers of animals, and excess may be a large margin above these. For these reasons, potential and excess must be judged independently for each locale.

Alternative expressions of potential, involving different vegetation types and combinations of herbivores, are possible for a given area. Decisions on which of these alternatives should be managed are sociopolitical decisions and need to be based on a knowledge of prevailing economic and social values. Such decisions, too, will vary from locale to locale and presumably would be made through the BLM and Forest Service planning procedures.

Properly, management plans designed to achieve appropriate stocking levels on specified areas require a strong information base, including:

1. an estimate of vegetation, soil, and water potential for the areas in question

2. numbers of herbivores of different feeding types, and their various combinations--in essence, alternative management options--that can be carried on an area without significantly changing it from its potential
3. kinds and amounts of forage required by the animal species in question, and their habitat preferences
4. both the positive and negative effects of the herbivores on the vegetation, and consequent secondary effects of the animals on each other
5. effects of the proposed plan on soil and water resources
6. an understanding of the various human values and desires associated with the alternative decision options

We prescribed a broad array of research projects in Phase I to provide this range of information. Since most of them were never initiated, we do not have sufficient data to prescribe this level of informed management. We can summarize the results of the few projects that were funded and add additional, relevant information from literature not reviewed in the Phase I Report. These provide a few bits of information toward a broad underpinning--in effect a few tiles in a largely incomplete mosaic.

The remainder of this section will discuss this biological information relevant to formulating sound management plans. A later section will address the sociopolitical and economic factors.

## Biological Information Needed To Formulate Sound Management Plans

In view of the scanty information specifically pertinent to biological aspects of decision-making on horse and burro grazing, three Phase II research projects were commissioned. One by University of Wyoming researchers studied the distribution and habitat use by cattle, wild horses, and pronghorn antelope in the Rock Springs area of southwestern Wyoming. A complementary study by another group of Wyoming scientists, also in the Rock Springs area, examined specifics of diet selection and grazing impacts on individual forage plants under known levels of animal density, including both horses and cattle. The third, by Colorado State University researchers, was designed to quantify forage consumption rates of wild horses, compared to cows, and to relate this information to animal size and physiological status (lactating versus dry animals). The latter project also studied dietary habits of horses and cows.

Additionally, independent work not under the overview of this Committee has proceeded during the 2 years since the Phase I Report was issued. Noteworthy in this category are the studies in southeastern Oregon by Oregon State University scientists (Martin Vavra, personal communication, 1982) and one by Utah State University investigators in northern Utah (Reiner, 1982). The salient points of all of this research are highlighted below as they relate to updating findings published in the Phase I Report. The reader is urged to refer to the original reports for particular details not covered in this treatment.

Assessing Site Potential The amount of forage produced annually on rangelands of the West is extremely variable in both time and space. (Here forage is considered as plant material that is sufficiently palatable and available to be consumed by large herbivores.) Precipitation and temperature patterns are the major forces in this variation, but other important factors include botanical composition or successional status of the plant community (range condition in the range manager's lexicon), temperatures, and soil features (depth, texture, stoniness, chemical limitations).

Some examples give perspective to this inherent variation: On salt desert shrub ranges in southwestern Utah, yields ranged from less than

100 lb per 0.4 ha to almost 500 lb per 0.4 ha in a 5-year time span (Hutchings and Stewart, 1953). A general rule in arid and semiarid regions is that year-to-year variability in precipitation increases as the degree of aridity increases. Hence, in such areas, the range manager is not only working with a small average forage base, but also one that may change unpredictably by factors of 2 or more from one year to the next.

In another situation involving pinyon-juniper ranges in the southwestern United States, grazing capacities (a reflection of forage production) varied from as low as 12 ha per animal unit month (AUM) on "very poor" condition ranges to as high as 1.2 or 1.6 ha per AUM on "good" condition ranges (Springfield, 1976). This was mainly a reflection of the differences in species mix of plants found on these ranges, and to a large extent resulted from different management practices applied over past decades.

Margins for error are small when making decisions about forage and grazing under such circumstances. The problems with wild equids are greatly magnified, considering that control over animal numbers and animal distribution is severely limited in most areas presently or, in other areas, is available only after a considerable time lag required by legal and bureaucratic procedures.

Allowable Offtake Given this type of biological environment and given the relatively unsophisticated tools for assessing forage production and controlling animal numbers (of livestock as well as wild equids), range managers have often adopted, at least in principle, a conservative philosophy of grazing management on public lands. For example, Stoddart et al. (1975) recommended that for situations where ". . . livestock numbers cannot be varied (from year to year), the stocking level should not exceed average forage production." Further, if an imbalance should occur temporarily, it should be in favor of the plant rather than the grazing animals, hence their recommendation of using values in the range of 65 to 80 percent of average forage production as a safe base for calculating grazing capacity. Proper use coefficients and other calculations would then be applied to this reduced base, rather than to the raw mean.

In practice, few grazing capacities have been determined on the basis of forage inventories and allocations of this forage to one or more species of grazing animal. This is because of the profound variation discussed above, the expense of conducting forage assessments under such conditions and the low precision of techniques available to the range manager. In the case of wild horses and burros, this approach has been seriously hampered by the very limited information on animal consumption rates, forage selection patterns, grazing impacts on plants and soils, and possible competitive interactions with other herbivores sharing the range. Thus, an alternative has been to use the existing stocking rate as a starting point and to adjust numbers over time as measurements of range trend dictate. (Range trend is the change in plant community successional status over time and is measured as changes in plant community botanical makeup.)

Most range managers would find acceptable a grazing regime that, as a minimum, maintained a stable range trend. Ideally, they usually would like to see an upward trend (denoting community change to higher successional levels), particularly on ranges in low successional status. Rarely, they might wish to maintain or even create a particular low successional community to produce forage or habitat for a particular animal wildlife species (e.g., brushy ranges for mule deer).

There are problems in using trend measurements as a basis for managing horse and burro ranges. One is that the measurement span only be made over relatively extended periods of time. Changes occurring during spans of less than, say, 5 to 7 years are often more reflective of yearly variation in climatic conditions than of grazing effects. On horse and burro ranges, such delays may not be acceptable.

Another problem is that downward range trend may be indicative of problems other than excessive animal numbers per se. It may point to improper season of grazing (e.g., year-after-year congregation of animals on south-facing slopes with repeated consumption of newly emerging grasses after snowmelt) or to improper distribution of grazing as is often seen in riparian zones or around man-made watering points. Even major reductions in animal numbers do little to alleviate such problems; they simply tend to diminish the size of the impacted area.

All of these problems considered, the range manager is often forced to make decisions about grazing based on experience and professional judgment rather than on hard, reproducible and documentable data. Indeed, Stoddart et al. (1975) define range management as both a science and an art. Even with major improvements in our fundamental knowledge of rangelands and range animals, the "art" element of range management is sure to remain into the foreseeable future.

Animal Diets and Food Habits Information on the species and kinds of plants that grazing animals select in their daily diets provides insights into potential grazing impacts on the plant community, potential competition with sympatric herbivores, and nutritional sufficiency or insufficiency. While recent research on this topic has not changed the earlier contention that wild and free-roaming horses are basically grazers (see Table 2.22 of Phase I Report), the Wyoming study (Smith et al., 1982) has contributed an element of caution. These researchers found that during summer, grasses contributed over 65 percent to the diets of horses on both heavily and moderately stocked paddocks while shrubs accounted for approximately 25 percent of the dietary content.

Important shrubs included winterfat, four-wing saltbush (Atriplex canescens), spiny hopsage (Grayia spinosa), and nuttall saltbush (Atriplex nuttallii), with winterfat contributing up to 22 percent on occasion. Smith et al. (1982) attributed this high usage of winterfat to the relatively high biomass of this species available for consumption. Cattle in the Wyoming summer study consumed a broader array of species than did horses, with grasses constituting an average 45 percent of diets, forbs up to 12 percent on occasion, and shrubs the remainder.

During winter, horses in the Wyoming study also used shrubs to a substantial degree (average composition = 35 percent for both stocking densities), with grasses constituting the major proportion (Krysl et al., 1982). Winterfat was again the most important shrub species. Animals were observed pawing portions of winterfat plants that remained after earlier grazing and consuming subterranean portions.

During winter, cattle selected diets similar to those of horses. This is illustrated by similarity indices (percentage of the diet consisting of plant species common to both animal species) of 80 percent and 88 percent for moderate and heavy stocking densities, respectively. Comparable indices for the summer season were 73 percent and 71 percent for the two respective stocking densities.

While similarity indices are not sufficient information in themselves to document dietary competition, they do provide reason for concern where forage may become limited in total quantity (such as during severe winters), where animal mobility and habitat separation might be restricted, and where spatial overlap appears to occur naturally (such as during summer in the Red Desert area).

An interesting contrast on dietary shrub usage by horses is provided by the recent Utah study (Reiner, 1982). Although conducted on a different vegetation type (sagebrush-grass-forb) than the Wyoming study (salt-desert shrub), a palatable shrub (bitterbrush) was a major component of the vegetative mix. Yet, in this case, horses essentially neglected all shrubs as dietary components. Likewise, the recent Colorado research (Rittenhouse et al., 1982) found horses to use little shrubby plant material in their diets (0.8 percent compared to 4.9 percent for cows).

An earlier study by Hansen (1976), discussed in the Phase I Report, is the only other evidence in the literature that horses used shrubs as a major dietary item. In that study, conducted on desert grassland range in New Mexico, shrubs averaged about 22 percent on a yearlong basis, with the least use (about 9 percent) during spring months.

The reasons are not evident for these exceptions to the general rule that horses basically select diets containing 90 percent or more grass (see Table 2.22 of Phase I Report). The relative availability of shrubs and grasses in the vegetation mix must be considered, but the palatability of certain shrub species to horses must also be assessed. For example, during summer in the Wyoming study, fourwing saltbush had dietary preference ratings as high as any grass species (Smith et al., 1982). Winterfat, as previously mentioned, was also consumed readily by horses. Both of these species are generally considered to be highly palatable to cattle and sheep. On the other hand, this generalization of common palatability of certain shrubs to horses and livestock would certainly not hold for the case of bitterbrush as demonstrated by the Reiner (1982) study. Recent conversations with Vavra (personal communication, 1982) on his continued work with wild and free-roaming horses confirmed earlier reports (Vavra and Sneva, 1978) that horses in the sagebrush-grass vegetation type of southeastern Oregon are fundamentally grass eaters.

Forage Consumption Rates and Animal Unit Equivalents Knowledge of the daily quantity of forage dry matter consumed by an animal of given size and physiological status (i.e., lactating, nonlactating) is a fundamental starting point for calculations of grazing capacity and is a factor in decisions for allocating the common forage reserve among various sympatric animal species. By virtue of anatomical differences in the configuration of the gastrointestinal tracts of horses and cattle, numerous researchers have theorized that a horse of a given size or body weight can consume more forage than a comparable-sized cow. Therefore, suspicion has existed that the standard procedure for calculating animal unit equivalents may be inappropriate for horses. This is discussed at length in the Phase I Report.

The accepted definition of an animal unit (AU) is a 455 kg (1,000 lb) cow or her equivalent (Society for Range Management, 1974). To convert among animal species, one merely divides the body weight (kg) of the animal in question by a factor of 455. The sophistication of this approach may be enhanced by using metabolic body weights, i.e., body weight (kg) raised to the fractional exponent of 0.75, divided by 455 also raised to the 0.75 power. However, the additional accuracy achieved by this procedure is open to question, and the use of simple body weights (i.e., weight to the power of 1) is the usual convention.

Since there is virtually no available literature concerning forage intake rates by the wild horses, the Colorado work by Rittenhouse and his associates (1982) was initiated during Phase II. These studies were conducted on a 400-ha tract of rangeland located some 8 km southwest of Durango, Colorado. Plant communities on the area included sagebrush-grass associations, open grassland parks, ponderosa pine woodlands, mountain meadows, and dense stands of gambel oak. Although no populations of feral equids are known in the general area, vegetation and topographic features are similar to those found on some of the other areas of the West where wild horses occur. Thus, some of the vegetation-related findings should be directly applicable to such areas. The more important question is the differences or similarities between horses and cattle occupying a common range, and results relating to this should be broadly applicable.

Findings were based on total fecal output measurements from animals equipped with fecal collection devices. These indicated that mares, on the average, consumed about 14 percent more forage dry matter (12.5 kg per head per day) than did cows (11.0 kg per head per day). However, a substantial difference of about 20 percent was noted between lactating mares (14.6 kg per head per day) and lactating cows (12.2 kg per head per day). Nonlactating mares and cows consumed 10.4 and 9.7 kg per head per day, respectively.

A surprising result of the Colorado research was that forage consumption by horses was not related to animal body size (weight), within the range of mature animal weights studied (367 kg to 578 kg per head). This led the researchers (Rittenhouse et al., 1982) to conclude ". . . when comparing intake for horses and cows of approximately the same body sizes, reporting intake on a per body size basis may be more confusing than helpful."

Utilization of nutrients (as measured by apparent digestion coefficients) was higher in cows than in mares, with the exception of protein that was digested more thoroughly by mares (44 percent versus 36 percent). Cows digested (cell wall constituents) much more extensively (65 percent) than did mares (53 percent). The rate of passage of food material through the alimentary tract of cows was considerably slower than through mares, hence the longer residence time of ingesta in cows partially accounted for the higher fiber digestion. Theoretical concepts relating to consumption rates in equids and ruminants are discussed in considerable detail in the Phase I Report.

Although some need further research, results from this study carry potentially important implications for wild horse management. Findings on consumption rates add support to the practice noted in the Phase I Report (see p. 97) of attributing an animal unit equivalent of 1.25 to mature horses. Although this value appears high in light of the current Colorado results (i.e., an average 14 percent greater forage consumption by mares), unreported evidence suggested that the 14 percent difference was conservative (L. R. Rittenhouse, personal communication, 1982). The difference appeared to hold over a fairly wide range of forage quality conditions.

The findings also raise the temptation to speculate on relative adaptive strategies of horses and cows. Differences in passage rates of ingesta would appear to confer an advantage on horses over cattle under poor forage conditions. For example, horses would appear to be able to consume more forage per day to compensate for the low nutrient concentrations, whereas cows (and other ruminants) would not. Horses are well equipped to extract the scarce quantities of dietary protein that are usually nutritionally limiting under such conditions. Behavioral attributes, such as the greater mobility of horses would also appear advantageous; they could quickly move to alternate areas when forage became scarce. However, the appropriate data to test hypotheses relating to competition definitively are still insufficient. This statement is not intended to detract in any way from the major contribution made by the Colorado researchers to our knowledge of nutrition and grazing ecology of horses and cows. The reader is encouraged to refer to their original report (Rittenhouse et al., 1982) for details.

Habitat Preference and Use The problem of making decisions on forage allocations to combined populations of horses and livestock, and of assessing competition between the two, is a more complex one than can be solved with measurements of dietary overlap alone. For, in an oversimplified case, if horses and cattle chose very different habitats on the basis of topography or vegetation type, there would obviously be no chance for interspecific competition even though they fed on the same plant species. And all of the allowable forage offtake in each habitat could be allocated to the respective occupants of the habitats without any trade-offs.

Of course the world is not that simple, but varying degrees of habitat segregation between horses and cattle have been reported. For this reason, we advocated studies of habitat preference and use during Phase II, and one such project was carried out in the Wyoming Red Desert by scientists of the University of Wyoming Department of Zoology and Physiology (Denniston et al., 1982). A major goal of this project was to contribute information toward the development of site-suitability criteria, a need reported to the Committee by Robert Springer of BLM (personal communication) and by Wright (1979).

The most extreme case of habitat segregation was shown to the Committee by Martin Vavra in the Three Fingers Herd Management Area, Shepherd Mountains of eastern Oregon. Here, horses largely occupied mountain-top terrain, while cattle occurred almost entirely on the lower elevations. Vavra (personal communication) commented that horse habitat in this area coincided more closely with that of bighorn sheep than of cattle.

Somewhat less complete segregation has been reported by Pellegrini (1971) and Salter and Hudson (1980). Pellegrini observed horses in western Nevada in an area used for both sheep and cattle grazing. In about December the horses moved up on ridge tops unoccupied by livestock. He surmised that the animals were attracted to these areas by the food available on ridges swept free of snow by wind. But he also suspected that part of the movement may have been hastened by introduction of sheep onto the lower elevations. Cattle were moved onto the lowlands in early April after the horses had moved out and sheep had been removed. Horses returned to the lowlands in late spring or early summer to use springs for watering. They coexisted with cattle at this elevation until the latter were removed in early June.

Similarly, in an Alberta study area, horses used nearly all vegetation types. But they moved out of those occupied by cattle during the latter's June to October occupancy period (Salter and Hudson, 1980).

Wright (1979), like Pellegrini, has observed a preference for the ridges by horses in winter. In summer, they are forced to move to the lowlands for water, where they overlap with cattle distribution. But the latter remain near the water sources, while horses return some distance to the ridges after drinking. He concludes that horse-cattle competition is less pronounced than widely believed.

The thorough Wyoming Phase II study by Denniston et al. (1982) describes less marked, and subtle, forms of habitat segregation. Cattle tended to remain relatively close to water sources, year-round, and ranged over a small fraction of the 540-mile$^2$ (1,399-km$^2$) study area. Horses (and pronghorn antelope) moved much farther from water in fall and winter, ranging over the entire study area. During spring and summer they remained as close to water as the cattle, but grazed to a considerable degree in winterfat (*Ceratoides lanata*) and nuttall saltbush (*Atriplex nuttallii*) vegetation, types used less by cattle.

By the same token, cattle grazed in certain types less often frequented by horses, namely greasewood (*Sarcobatus vermiculatus*) and rabbitbrush (*Chrysothamnus viscidiflorus*).

One can generalize all of these examples with the statement that horses are considerably more wide-ranging than cattle and less tied to water. In all of these cases, with the possible exception of Vavra's, horses ranged over nearly all the terrain occupied by cattle--though not necessarily at the same time of year--while cattle ranged over only a small portion of the area used by horses.

Clearly the problem of allocating forage to the two species is more complex than merely estimating the gross number of AUMs for an area, and assuming direct equivalence between the two species in using that forage. As Wright (1979) put it: "I doubt that the agencies [sic] statement, 'ten thousand horses on, ten thousand cattle off', is all that accurate."

None of this is said in any way to imply that horses and cattle cannot or do not compete for forage. Denniston et al. (1982) concluded that they did not have evidence to prove the existence or absence of competition, but they acknowledged that there was a potential for it on their area. In their view, it was most likely to occur, if at all, in the areas close to water where year-round cattle use and spring-summer horse use were concentrated.

Competition may also occur for space. When two species seek different habitat, the possibility exists that they are avoiding each other for behavioral reasons. The possibility was suggested to us that horses may on occasion move out of an area occupied by cows, and testing this hypothesis was one of the objectives of the Denniston et al. study. However there were not enough cattle on the study area, nor was the study conducted long enough to provide a definitive test.

One may argue that the cattle and horses coexisted during spring and summer. But this may have been forced by the mutual water need. When water was no longer scarce, horses moved away from the areas occupied by cattle, and as Pellegrini (1971) suspected they may have moved away from areas occupied by sheep. In the Phase I Report we discussed two cases in which elk appear to have avoided areas occupied by cattle (p. 142), and Child and Wilson (1964) have discussed similar avoidances between roan and sable antelope in Africa.

In short, we do not assert that behavioral competition prompts habitat segregation between horses and cattle. We only suggest it as a possibility needing investigation. The main point here is that forage-allocation decisions will become more effective and sound when studies like that of Denniston and his coworkers have provided a thorough understanding of the complexities involved. In the Phase I Report we recommended that studies of this type be repeated in several areas of the West.

Forage-Plant Utilization Discussion in the Phase I Report recognized that short-term studies (less than about 5 years' duration) can offer little direct insight into grazing impacts on plant community composition and production (range trend). However, the Report indicated that useful management-related data could be obtained from studies in relatively small paddocks (as opposed to the open range) where numbers of animals and days of grazing use could be closely controlled. Insights into such questions as dietary botanical composition under different grazing intensities, dietary relations between horses and cattle, also under different grazing intensities, and relative levels of plant consumption under various grazing intensities and animal species combinations would be particularly important in this light.

Plant-utilization studies by the Wyoming researchers (Smith et al., 1982) showed relatively heavy utilization on grass and sedge species (range = 61 to 95 percent) during summer irrespective of the stocking density of animals. The two stocking densities used during the summer study were: "heavy" (about 12 animal unit days (AUDs) per hectare) and "moderate" (about 3 AUDs per hectare). They also observed utilization of about 75 percent on two shrub species, winterfat (Ceratoides lanata) and rabbitbrush (Chrysothamnus viscidiflorus), during the summer period.

This is in contrast to Utah studies (Reiner, 1982) conducted during early summer, where shrub utilization was negligible, even though stocking densities were six- to ninefold higher (moderate = 27 AUDs per hectare; "heavy" = 68 AUDs per hectare) than in the Wyoming study. Grass utilization in the Utah study averaged 44 percent and 76 percent for moderate and heavy stocking densities, respectively, while comparable values for forbs were 8 percent and 19 percent. These utilization patterns, coupled with observations of higher production in the desirable shrub bitterbrush (Purshia tridentata) on horse-grazed paddocks, led the researchers to the conclusion that intensive grazing by horses could be used effectively for improving the habitat value of their ranges for wintering deer and elk. Apparently, the selective utilization of herbaceous plants with no effective grazing on the shrubs reduced competition for scarce moisture by grasses and forbs in favor of shrubs.

The major differences in grazing treatment design between the Wyoming and Utah studies were stocking density, quantities of forage available, and length of the grazing period. The Utah paddocks were small (0.5 to 1.0 ha) and were grazed by a proportionately higher density of animals over a short (5- to 9-day) grazing period, whereas the Wyoming paddocks were larger (32 to 194 ha), were grazed by a lower density of animals, and for a 34-day period. Apparently much of the forage reported as utilized (i.e., that which disappeared over the course of the grazing period) in the Wyoming study was not actually consumed by horses (or cattle) but was lost to other factors, including natural weathering and consumption by other herbivorous vertebrate and invertebrate organisms. In contrast, a much higher proportion of the forage that disappeared in the Utah study was due to outright consumption by horses.

Observations from these two studies illustrate a feature of grazing management that is becoming more widely recognized in domestic livestock production systems and that may have implications to wild equid management. In situations where animals graze a particular pasture or range unit for long periods of time (i.e., season-long, or even yearlong in the case of some feral horse herds), often at relatively low animal densities, the efficiency of forage harvest by grazing is low. Considerably more forage must be allocated per animal unit than in situations where the graze time is short and animal density per unit of land is high. There seem to be at least three causes for this effect. First, under the low-intensity situation, a disproportionately large part of the forage biomass is lost to unaccountable "wastage" factors. (However, we do not overlook the fact that, from the standpoint of soil protection and watershed features, much of this "lost" forage may become litter, which has other nonforage values.) Secondly, the increased off-take possible from short-term intensive grazing periods interspersed with rest periods may result from increased plant vigor due to the rests. Third, if the animals are forced to graze quickly under high intensity, they may be less selective for preferred plants and grazing sites, thereby using forage that they might avoid if given time and leisure to select.

Wyoming researchers (Smith et al., 1982) also conducted winter grazing trials during November and December 1981. Until this study, there had been little work on horse-forage relationships during winter, even though the winter season is often suggested as the period that sets limits on survivability for certain segments of the population. As summarized in the Phase I Report, Salter and Hudson (1979) reported that horses were effective foragers during winter in the upper foothills of the boreal forest zone in western Canada.

Stocking densities used by Wyoming researchers were about 3.5 AUDs per hectare for "moderate" grazing and about 8.8 AUDs per hectare for "heavy" grazing. Under this regime, utilization levels for grass were about 15 percent for moderate and 49 percent for heavy stocking densities. A few differences were found in utilization of particular plant species by individual animal species (i.e., horses, cows, or horse-cow combinations), but no important departures from the means presented above were seen.

Winterfat was the only shrub to sustain noticeable utilization during winter, and the levels observed were appreciable: 59 percent under moderate and 80 percent under heavy stocking. No major differences were seen for either horses or cows in this regard.

Utilization Studies in Perspective The Wyoming and Utah studies discussed above were both conducted under confinement conditions, a necessary experimental constraint for accurately relating a particular level of forage use to a known stocking intensity, duration, and time of grazing. Critics may argue that wild horses and burros rarely, if ever, exist under such conditions. This may be a valid point, but not one that voids the applicability of such studies to wild and free-roaming populations.

Specific points applicable to wild horse range management are:

1. Winter stocking densities as high as 8 AUDs per hectare are unlikely to lead to undesirable successional changes in plant communities under conditions similar to the Wyoming Red Desert. The relatively heavy use on winterfat, a palatable and nutritious suffrutescent shrub, merits some concern, but early studies (Hutchings and Stewart, 1953) showed steady improvement in winterfat yields under 60 percent winter utilization. Winter conditions may prompt animals to concentrate in particularly favorable sites, leading to increased risk of overuse, but the dormant condition of vegetation during winter also renders plants less subject to physiological stress from grazing.
2. Summer utilization levels similar to those applied in the Wyoming study would probably lead to undesirable changes in the plant community, whether by horses or cattle. Shrubs in particular seem vulnerable to heavy defoliation during periods of active growth (Cook, 1971). The number of animals that would produce such utilization on any particular area can only be determined by site-specific, periodic utilization studies. This proved to be about 3 AUDs per hectare in the Wyoming area.
3. Animal distribution over the range, and its relationship to animal numbers and length of the graze period on particular sites, is a key element in plant community impacts. The importance of short, but perhaps intensive, grazing periods (as contrasted to protracted or season-long grazing) is illustrated by the comparison of the Wyoming and Utah studies and resultant utilization levels. The longer animals remain on a particular site, the higher the likelihood of regrazing plants and the regrowth of vegetation produced after the initial defoliation. Recent research (e.g., Caldwell et al., 1981) indicates that certain Agropyron bunchgrasses may be placed at a competitive disadvantage by this kind of grazing during the growing season.

Finally, it goes without saying that grazing duration is more easily controlled with domestic animals than with wild herbivores. The high mobility of feral horses could perhaps be an advantage in this regard, and management activities should explore ways to capitalize on this behavior. Opening and closing water points could be one possible measure in certain areas.

Range Hydrology The existing knowledge about the impact of wild equids on range hydrology is scanty, at best. Virtually no information exists in scientific journals, nor was such research funded during Phase II of the NAS effort. However, numerous anecdotal comments have appeared from time to time, and some limited in-house reports have been issued by various federal agencies that purport to identify the hydrologic impacts of wild equids (Dixon and Sumner, 1939; Weaver, 1959; Buechner, 1960; Welles and Welles, 1960, 1961b; Koehler, 1974; Fisher, 1975; Stoddart et al., 1975; Woodward and Ohmart, 1976; Carothers et al., 1977; Norment and Douglas, 1977; Zarn et al., 1977; O'Farrell, 1978; Hansen, n.d.; Jones, 1980). Lacking an adequate and systematic knowledge base on which to judge the effects of feral equids, the Committee has no choice but to assume that wild equids impact range hydrology in a manner similar to that of livestock. Considerable information exists in scientific journals on the hydrologic impacts of livestock grazing (Skovlin, 1981; Blackburn et al., 1982) and this was reviewed in some detail in the Phase I Report.

Most wild equid range is arid to semiarid. The grazing potential is naturally low, very sensitive to overgrazing, and recovers very slowly from abuse. Moreover, water is a scarce commodity and therefore in particular need of proper management.

Grazing, whether by large mammals or other herbivores, has an impact on watershed parameters. It has been recognized for 70 years that heavy, continuous grazing accelerates erosion and runoff (Rich, 1911; Duce, 1918; Sampson and Weyl, 1918). The literature is filled with examples of the adverse impacts of overgrazing on watersheds (Blackburn et al., 1982). Love wrote in 1958 ". . . there is a large body of information leading to the conclusion that heavy grazing has had bad hydrologic consequences. It is doubtful that more investigations are needed to emphasize this conclusion." Recent research has supported Love's conclusions.

The available data strongly suggest that hydrologic differences between pastures continuously grazed lightly and those grazed moderately are not significant. There appears to be no hydrologic advantage to grazing a watershed lightly rather than moderately. Some studies have failed to show a difference in soil loss, infiltration capacity, or soil bulk density among light, moderate, and ungrazed pastures. Thus the existing information indicates that rangelands can be grazed at a light or moderate rate without adverse hydrologic impacts.

Riparian areas constitute only a fraction of the total western rangeland area, but they are as productive in terms of species diversity and biomass per unit area in both plants and animals as the remaining land base (Skovlin, 1981). Riparian zones are also an important component in the maintenance of healthy populations of fish and wildlife and a quality water supply (Platts and Raleigh, 1981). Sediment production within the riparian zone is often a serious matter, as problems with bank stability are frequently encountered. The bank-stability problem is often a combination of such things as destruction of vegetation, mass wasting, and bank cutting, all induced by excessive pressure from large herbivores. In general, natural, stable, well-vegetated stream banks help maintain stream-channel integrity.

The most basic resources of western rangelands, on which the living resources depend for their existence, are soils and water. Vegetation and animal life can be altered considerably, but short of extinction they have the regenerative power to recover to earlier states on a time scale measured in years or decades if afforded the appropriate protection. However, soil loss, usually associated with hydrologic changes, represents irreversible change on a time scale relevant to human lifetimes. And such changes undercut the regenerative abilities of plant and animal resources, and they too are subject to irreversible change as a consequence.

Hence, by the criterion of irreversibility, populations of any herbivores--whether domestic livestock, wild ungulates, or wild equids--must be considered in excess by the criteria set forth herein: if the vegetation is so altered as to move it significantly from its potential, and if that alteration promotes soil loss and hydrologic change to the point of irreversible change.

Similar wild equids and/or domestic livestock grazing can be managed short of excess if it permits sufficient streamside vegetation to hold soil in place, prevents unacceptably high water temperatures, and avoids bacterial pollution.

Effects on Wildlife Given the multiple-use criterion of excess feral equid numbers, interrelationships with wildlife also need to be considered. Wildlife constitutes a set of values that figure into decisions on management options for land units. Such decisions will be made most effectively with the same types of information on wildlife species as discussed above on horses and cattle: site potential, kinds and amounts of forage consumed, habitat preferences, impacts on vegetation and hydrology, and public preferences. Given these types of data, forage allocation decisions can be made for desirable mixes of livestock, feral equids, and wildlife.

While the research program we recommended in the Phase I Report largely considered horses, burros, and cattle, the same kinds of studies are needed for wildlife species that coexist with feral equids. If only a limited amount of research has been carried out on livestock-equid relationships, far less has been done on relationships between equids and wild ruminants, with the exception of feral burros and bighorn sheep. Hence, except for the burro-bighorn case, the relationships are largely matters of surmise, or of inference from interrelationships between cattle and wild ruminants on the grounds of a rough cattle-horse equivalence. Despite this shortage of information, it seems worth discussion here because of the multiple-use aspect, the concern of traditional wildlife groups with the wild equid issues, and the fact that we did not review the matter in any length in the Phase I Report.

As discussed above, the interrelationships between large herbivores can be beneficial or harmful to each other, depending on the similarity or complementarity of their food and habitat preferences and on their numbers and intensity of resource use. One of the likely cases of complementarity is between horses and deer. Since horses tend to be grazers, while deer are more characteristically browsers, the two are not likely to compete in a reasonably diverse vegetation with forage species for both. Thus in three Colorado studies, horse and mule deer diets generally overlapped by less than 5 percent (Hubbard and Hansen, 1976; Hansen and Clark, 1977; Hansen et al., 1977). And we referred above to the Utah studies in which horse grazing is being used experimentally to see whether habitat can be improved for mule deer and elk.

Moose, too, are browsers. They feed on different plants and select different habitat than do horses (Storrar et al., 1977; Salter and Hudson, 1980)

The relationship between horses and pronghorn antelope may be another case of complementarity. We discussed above the complementarity between bison and pronghorn and between cattle and pronghorn. Given the similarity between horse and cattle diets, the horse-pronghorn case is a reasonable surmise. Indeed, Olson and Hansen (1977) found little dietary overlap between the two species on the Wyoming Red Desert, while Denniston et al. (1982) found close similarities in their distribution.

Given the complementarity between browsing ungulates and horses, there is little, if any, question of a forage trade-off between the two, at least in conditions of normal weather and range in reasonably good condition. In fact, the feeding activity of each might tend to push vegetation composition toward that favoring the other in areas where both species occur together. A reasonable balance between the two would tend to stabilize the vegetation and enhance long-term productivity.

But on degraded range, the plant species of each might be depleted to the point where the food habits of grazers and browsers converge. In this case competition could occur, a condition that Forrest Sneva (personal communication) observed between horses and mule deer in overutilized range in Oregon. Similarly, severe winter weather can reduce vegetation availability, and force together species that normally feed in different habitat and/or on different plant species. Thus, Miller (1980) observed the convergence of horses, cattle, elk, and pronghorn along ridges when deep snow buried much of the vegetation in more gentle terrain.

As with wild horses and cattle, the potential for competition and the problem of administrative trade-offs in allocating forage are most likely to occur between equids and wild ungulates with similar dietary preferences. The fact that two species live together and have similar diets does not necessarily imply competition. If they do not significantly deplete the vegetation, they do not compete for food in an ecological sense. And as discussed above, light-to-moderate grazing can, in some cases, increase vegetation production. Hence grazing by two species can increase their mutual food resources in these situations.

Ecologically, competition for food occurs when two species reduce their common food supply enough to create nutritional problems, affect each other's birth and/or survival rates, and ultimately influence each other's population levels. In a land management sense, if one species is reduced artificially to provide a maximum amount of forage for another, this could be considered a form of competition, bureaucratically imposed.

Several species of wild ungulates have sufficient dietary and habitat overlap with equids to run the risk of, or achieve, competition. Elk are broad-spectrum feeders and graze enough to overlap horse diets materially (Olsen and Hansen, 1977; Hansen and Clark, 1977; Salter and Hudson, 1980). And as mentioned above, Miller (1980) observed the convergence of horses and elk on wind-swept ridges during a severe winter. None of these authors actually demonstrated competition, however. Two cases of apparent cattle-elk competition were reported in the Phase I Report (p. 142).

Potential or actual competition between equids and bighorn sheep has received by far the most attention in the ecological literature of any North American equid-wild-ungulate interactions. Bighorn sheep appear demographically fragile. Nowhere in North America do they occur in large numbers, and Wagner (1978) suggested that their primeval numbers may be the most underestimated of any North American ungulate. Hence, their contemporary remnant status may imply one of the most extreme postsettlement reductions of any large herbivore.

Most of the attention on the Rocky Mountain subspecies has focused on livestock effects on bighorn numbers, there being little information on wild horse interactions. But these livestock effects may indicate susceptibility to horse competition. Strong inference of cattle-bighorn competition has been reported for Wyoming (Honess and Frost, 1942), Colorado (Packard, 1946), Montana (Berwick and Aderhold, 1968), and Idaho (Morgan, 1971). McCann (1956) suggested that cattle, competing with elk on valley bottoms and foothills, forced the elk higher and into competition with bighorns. Crump (1971) actually concluded that bighorn range in the Wind River Mountains of Wyoming was limited by horse competition, as did Stelfox (1976) for Alberta. Martin Vavra (personal communication) observed that wild horse habitat preferences in eastern Oregon coincided more closely with bighorn than cattle range.

It is the southwestern or desert bighorn subspecies that appear particularly fragile (McKnight, 1958; Lange et al., 1980), their populations being subject to precipitous declines (Lenarz, 1979; Lenarz and Conley, 1980; Watts and Conley 1981). That fragility may in part be a function of the inherently fragile, arid habitats that they occupy and their relict status occasioned by the post-Pleistocene warming, drying, and shrinkage of their habitat (McCutchen, 1981; Hansen, 1982). The state of New Mexico has placed the bighorn officially on its state "Threatened" list. They are apparently now extinct in several northern states of Mexico, and their status is of great concern throughout their range.

A 40-year research history chronicles the view that livestock competition has played an important role in the decline of the southwestern subspecies in all of the five states in which they occur--Texas (Davis and Taylor, 1939), New Mexico (Gordon, 1957; Sands, 1964), Arizona (Gallizioli, 1977), Utah (Dean and Spillett, 1976), Nevada (Reese and Baxter, 1973; McQuivey, 1976, 1978), and California (Weaver, 1973a)--and in the Mexican state of Sonora (Valverde, 1976). That literature is cited here to show the long history of concern for the fragility of the desert bighorn subspecies and their likely susceptibility to equid competition.

Some authors implicate competition with cattle (Russo, 1956; Gordon, 1957; Albrechtson and Reese, 1970; Ferrier and Bradley, 1970; Yoakum, 1971; Wilson, 1975; Jones, 1980), while others ascribe the decline to domestic sheep and/or goats (Davis and Taylor, 1939; Gordon, 1957; Jones et al., 1957; Buechner, 1960; Grass, 1960; Valverde, 1976). Several authors have implicated competition with feral horses (Halloran and Deming, 1958; Buechner, 1960; Albrechtson and Reese, 1970; McQuivey, 1978; Jones, 1980). Most of these cases rely to some degree on inference that the domestic animals have caused the sheep declines, but that inference is strengthened by cases in which wild sheep increased following the removal of livestock: in the San Andreas Mountains of New Mexico (Gordon, 1957) and in southeastern Utah (Wilson, 1975).

It is the interaction between desert bighorns and feral burros that has stimulated the greatest range of investigations and a lengthy, sometimes contentious, literature. This subject was reviewed in the Phase I Report, but bears further treatment here as it relates to the question of excess.

Most inferences about burro and desert bighorn competition involve water and vegetation. While several authors (Welles and Welles, 1961a, b; Moehlman, 1974; Golden and Ohmart, 1976) have failed to observe the problem, a lengthy list of investigators contend that, in areas where burros are numerous and water scarce, the equids foul or completely use up water sources so that sheep cannot drink (Dixon and Sumner, 1939; Halloran, 1949; Sumner, 1952, 1959; Ferry, 1955; Russo, 1956; Bendt, 1957; Weaver, 1959, 1973b; St. John, 1965; Thomas, 1979; Jones, 1980). The claims involve a number of areas in Arizona, Nevada, and California. The problem may revolve around the abundance of water. Obviously, it should not arise where the water source is a flowing stream, as in the case of some bighorn range in Arizona, Nevada, and California along the Colorado River, its impoundments, and its tributaries. But where the source consists of small, isolated desert springs, the problem may be real.

A more extensive array of observations implicate competition for forage in numerous southwestern areas (Ferry, 1955; Bendt, 1957; Sumner, 1959; Sleznick, 1963; Weaver, 1973a,b; Wishart, 1975; Douglas, 1977; Walters, 1977; Hinks, 1978). Clearly, many forage species are fed upon by both wild burros and bighorns (McMichael, 1964; St. John, 1965; Seegmiller and Ohmart, 1975, 1976; Seegmiller, 1977; McQuivey, 1978; Walters and Hansen, 1978). In the most recent and detailed analysis, Seegmiller and Ohmart (1981) found burros taking a larger percentage of grasses and sheep taking more browse, with the percentage of dietary overlap at around 50 percent. But of the 10 plant species most abundantly consumed by each herbivore, 6 were common to both. These were assumed to be the most nutritious and therefore important for both bighorns and burros.

As stated above, however, common use of a resource by two animal species does not necessarily constitute competition. They compete only when (1) the resource is depleted to the point of detriment to one or both species, and (2) the detrimental effect results in lower populations of one or both. The evidence on both of these criteria is limited and circumstantial, but suggestive nevertheless.

Most authors agree that forage depletion is most likely to be severe in areas close to water. Both burros and bighorns range closer to water during the summer, and pressures on vegetation concentrate as the water source is approached. Burros are more mobile than sheep and range farther from the water source (Seegmiller and Ohmart, 1981). Sheep are less mobile, especially when they are accompanied by lambs. Hence they are forced to remain closer to the water at this time of year (McMichael, 1964; Thomas, 1979) and in the area where vegetation is more heavily impacted. The result may be food shortage at a critical time when ewes are lactating and lambs are gradually being forced to feed on their own.

Several authors (e.g., Sleznik, 1963; Jones, 1980) have pointed to the differing habitat selection between burros and sheep that might reduce the probability of competition, as discussed above under horse-cattle habitat preference and use. Seegmiller and Ohmart (1981) depicted a pattern somewhat similar to that described for horse and cattle overlap. During summer, both sheep and burros tend to converge on the lower elevations near water. But in the cooler months, sheep move onto the talus terrain and long steep slopes, while burros favor the foothills.

Nevertheless, we can question, as we did in discussing horse and cattle habitat segregation, whether a spatial separation reflects some kind of behavioral avoidance. Several observers have reported burros and sheep grazing in close proximity without overt interaction. But as with cattle and horses, they are forced together in summer by their mutual water need. The possibility must be acknowledged that the sheep simply prefer areas not occupied by burros, and their range is reduced thereby when burros are present on a portion of an area they would otherwise occupy. This suggestion has already been made by Jones et al. (1957), Buechner (1960) and McQuivey (1976).

Several circumstantial population comparisons have been made. A number of cases, reviewed in the Phase I Report, have been reported of thriving sheep populations in areas without burros and a lack of sheep in areas occupied by the equids (McKnight, 1958; Thomas, 1979). Dixon and Sumner (1939) and Brandt (as cited in McKnight, 1958) reported a sequence of changes at Willow Spring in Death Valley that constituted an inadvertant experiment. In 1935, the spring was being used by a local sheep population and was clean; apparently there were no burros. In 1938, the spring was trampled and muddied by burros, and no sheep could be found in the vicinity. By 1957, wild burros had been trapped out of the area, and it once again supported a thriving sheep population. Jones et al. (1957) and Buechner (1960) have also discussed cases where burros appear to have restricted bighorn range or displaced them.

In sum, much if not most of these results are circumstantial, or are derived from research that can be criticized on methodological or conceptual ground. But so many investigators over a four-decade period have converged on the same view that the results and their conclusions cannot be dismissed lightly. Some Committee members, therefore, consider it a strong probability that burros have been detrimental to desert bighorn populations over much of the latter's range. In their view, where such detrimental effects risk the survival of bighorn populations, they must be considered in excess on the basis of the irreversibility criterion set forth above, a view shared by several recent authors (McCutchen, 1981; Seegmiller and Ohmart, 1981; Hansen, 1982). However, the Committee is not unanimous in these views. The reader is referred to the Phase I Report for a better indication of the ambiguities in the available literature concerning the burro-bighorn issue.

Because of the continuing concern over this issue, there is a strong need for conclusive experimental research to answer once and for all the question of whether burros are competitors with desert bighorns. Since the definitive criterion of competition is a population effect, and burros compete with sheep only where they reduce the latter's population, this effect must be investigated by reducing or removing burros in some areas, not in others, and observing sheep-population responses. If vegetation is the resource under competition, such research would be strengthened by vegetation analyses that showed the existence or lack of a plant response to burro removal.

With research funds tight as this is written, and desert bighorns having little or no game importance, it is highly problematical that the needed funds for such research, carefully designed, will be available in the foreseeable future. However, de facto experiments are underway. The BLM in Arizona is systematically removing burros from areas where there is a potential sheep conflict. The Park Service is also removing burros from national parks and monuments pursuant to their policy of removing exotics, and the Department of Defense is removing them from the China Lake Naval Weapons Center for safety reasons. If these agencies and/or the state departments of fish and game would, over the next few years (perhaps 6 to 10), systematically census bighorns in areas where wild burros were and were not removed, it could supply more information toward resolving the problem.

## How Many Horses/Burros Are There in the West?

### Census Methodology

Census methodology was discussed in some detail in the Phase I Report. Since then, a census research project has been carried out during Phase II by University of Minnesota investigators (Siniff et al., 1982), and various other kinds of information have become available. The final report on the census research project suggests a number of improvements in census methodology. Here we will only attempt to update some of the Phase I material, refer briefly to the Phase II research, and suggest some further research needs.

It seems clear that most wild horse and burro censuses will need to depend on aerial counts of some kinds. The very large areas, topography, and access problems generally combine to make aerial counts the only cost-effective methodology. One of the major drawbacks to the aerial counts used in the past is that some horses were undoubtedly not counted (missed by the observers). While many BLM employees have considerable confidence in the accuracy of the censuses, the Phase II research has shown that they may miss anywhere from 7 percent of the horses in very open areas to as many as 60 percent of the ones present in areas of dissected topography and tree cover, even when carried out by experienced and careful observers.

These discrepancies were detected in two ways by the researchers. One was by marking (with tags or paint-filled capsules fired from a helicopter) a sample of animals in Nevada populations. The populations were then surveyed from the air, including a count of marked animals. The proportion of the entire population not seen could be judged from the proportion of marked animals not seen, or on the basis of separate population estimates made with capture-recapture procedures.

In this way, it was concluded that fixed-wing aircraft census in the Beatys Butte Herd Management Area in Oregon and the Chain Lakes Herd Area in Wyoming, both open areas with moderate terrain, was finding about 93 percent of the wild horses present. But in the more dissected Pah Rah Mustang Area of Nevada, helicopter census was missing about 35 percent of the animals. In the wooded Pine Nut Mountains of Nevada, helicopter census was missing 52 percent, and fixed-wing census was missing up to 60 percent.

We have no data on the proportion of horse range in the western United States that has relatively open terrain promoting near-complete counts, and the proportion that is wooded and mountainous and likely to be significantly undercounted. Hence we have no way of knowing whether the West-wide estimates of horse numbers are closer to 93 percent accurate or 48 percent, and we caution against the use of any blanket correction factor that attempts to expand census figures to allow for unseen animals.

Capturing and tagging wild horses or burros is expensive and time-consuming and involves some further complications, as does paint-marking. Both methods were tested in the research program. Horses were tagged after being rounded up, which means that many members of a given band were marked. Since the bands largely stay together, this was not a very efficient approach. Paint-marking from a helicopter allows more flexibility, but there are uncertainties about persistence of the marks (and some fresh paint spots were transferred to other horses by bodily contacts, thus giving a false mark). These problems were taken into account in forming the above conclusions about completeness of the censuses.

The second way of detecting incomplete counts utilizes the periodic removals of surplus horses and burros made by the management agencies. If aerial counts are made both before and after the removals, then the reduction in abundance caused by the removal should be reflected in the second count. Some simple algebra then permits estimating the proportion of the horses present that are actually seen. An important assumption is that this proportion does not change from the preremoval aerial count to the postremoval count. This means that these counts should be taken immediately before and immediately after the removals take place and should be made by the same observers under comparable conditions. The basic methodology and some examples appear in Eberhardt (1982).

Perhaps the chief advantage of this method is that it uses data normally gathered in management, i.e., a preliminary count and the removal data. In actual management practice, a postremoval count is not usually made, but is needed for the census application. So far, one such experiment has been conducted in the census research on an Oregon area. In this case, five preremoval and five postremoval counts were made. A number of further tests are needed, along with some further work on the problems of estimation (the Oregon experiment showed that the estimation scheme needs improvement). Very likely this method will be best suited to BLM needs, but a good deal of testing and checking is needed. Also, the method is not effective unless a substantial proportion of the animals present are removed (roughly 30 percent or more).

Other aspects of the census problem that require more research include the questions of censusing large areas with definite boundaries. So far most of the research and much of the other experience has been on areas that are either fenced or otherwise subdivided into manageable units. A little work with sampling and subsampling has been done in the census research project, but much more is needed. Also, it will be especially important that the research results be subjected to a process of field-testing and demonstration before they become a part of routine BLM operations. A census manual was required in the Minnesota contract, and the Minnesota investigators are working on such a manual. But with only 1 year's research, it must be considered preliminary. It will require considerably more research and testing to become a refined and generally usable document.

The Phase II investigators participated in one BLM burro census in Arizona in which paint-marking was used. Some data are available from other attempts at burro censusing. In one Arizona study by Ohmart et al. (1978), the investigators saw only about a third of marked animals during 7 hours (h) of helicopter census. We suspect that marking will be required for virtually all burro censuses, due to the difficulty of spotting these animals, but the removal method has not yet been tested on this species.

The implications of all of this work are that the standard aerial censuses now being carried out must be viewed with some reserve. And in many areas, if accurate censuses are desired, it will be necessary to use capture-recapture or removal procedures.

## Management Implications

There are several additional management implications of the Phase II research findings on census that bear mention here. The first relates to the accuracy of published figures on horse and burro numbers in western United States. In their periodic Wild Horse and Burro Report, BLM publishes estimated numbers of wild horses and burros on the public lands. These numbers were 52,400 and 12,200, respectively in 1980; 44,930 and 11,870 in 1981.

While the Phase II census project had nowhere near the time and resources to make independent estimates of West-wide populations, it was able to develop some idea of the completeness of the BLM counts, as discussed above. On the basis of this research, it appears that the above population estimates of horse numbers are conservative.

It is our understanding that Bureau personnel are well aware of the incompleteness of wild burro censuses, based on earlier research described in the Phase I Report, and appropriately correct the census values upward. Hence the burro figures may approximate reality. But we have found a general tendency in the Bureau to assume that wild horse censuses are accurate, and little or no awareness of their conservatism.

Significance of the disparity between current horse numbers and the censuses is not clear to us at this time. One obvious implication is that there are more wild horses on western public lands than is generally assumed to be the case. And hence, more range forage is being consumed by them than is generally believed.

This statement is not made in any way to suggest that the situation is desirable or undesirable. Forage use by wild equids remains a small fraction of the total forage use by domestic animals on western public ranges, regardless of whether the actual number of equids is in accord with the censuses or somewhat higher.

Comparison of feral equid numbers and forage demand with those of domestic animals on public range may provide some perspective on the matter. BLM Public Land Statistics/1980 (USDI-BLM, 1981) and Forest Service Annual Grazing Statistical Report for the same year (USDA Forest Service, 1981) provide combined estimates of 67,296 wild horses and burros in 1980. During this same year, these reports list 3,209,050 cattle, domestic horses, sheep, and goats authorized for use on BLM land and 3,369,188 on the national forest system.

Converted to forage demand, a better basis for comparison, the domestic animals were allocated 18,631,934 AUMs of authorized use. Forest Service converts its wild equid numbers to 20,200 AUMs of forage demand. If the 64,545 equids on BLM lands are assigned (by us) 12 AUMs each, the total for feral equids on both kinds of public lands is 794,740 AUMs. Hence the ratio of forage use by livestock to that of feral equids is about 23:1. Since the number of domestic animals and AUMs on BLM and Forest Service land are similar, but most of the feral equids are on BLM lands, this ratio is about halved for BLM lands. Depending on how conservative the horse populations are, the ratios are somewhat lower yet on BLM lands.

It may also be of interest to point out that the public lands carry sizable populations of big game animals. The above BLM statistical report cites a total of 1,559,887 on BLM lands of all states except Alaska. Since most of these are deer and pronghorn antelope which, by virtue of their smaller size, receive only one-fifth to one-sixth the AU ratings of wild horses, the AUM comparison is quite different. The Forest Service report does not cite the numbers of big game animals on national forests.

Some readers may argue that these total, West-wide figures do not make for meaningful comparisons because decisions on how much forage to allocate to livestock, feral equids, and wildlife are made on a locale-by-locale basis rather than on their contributions to regional numbers. But for some years de facto regional goals have emerged periodically in various forms, and approach policy status. Stockmen and BLM officials have been quoted as advocating a reduction of equid numbers to the 1971 levels existing at the time the Wild and Free-roaming Horse and Burro Act was passed (Ryden 1978:295, Thomas 1979:139). The magnitude of those numbers has varied considerably between different reports. In the latter 1960s, the BLM distributed an undated document entitled "Fact Sheet: Wild Horses" that reported horse numbers at 17,300. During the April 1971 hearings of the Senate Subcommittee on Public Lands (Committee on Interior and Insular Affairs), Assistant Secretary of Interior Harrison Loesch reported 17,000 "nonpermitted" horses of which 7,500 were branded and 9,500 were unclaimed. In those same hearings, Hope Ryden pointed out the array of estimates cited by BLM that ranged from 10,000 to 25,000.

In January 1982 BLM included a sheet entitled "Bureau of Land Management Wild Horse and Burro Population Estimates" in a packet of material submitted to the Senate Committee on Energy and Natural Resources. The sheet included a table with columns for "Estimated Current Populations," one for "Estimated Management Levels" that totaled 21,215 horses, and one for "Estimated Removals" as the difference between the first two and totaling 23,715. Similar totals for burros were an "Estimated Management Level" of 3,810 and "Estimated Removals" of 8,060.

Nevertheless, it is fair also to point out that local cattle-horse ratios vary over a range of values quite different from the gross, regional ones. Thus, on BLM lands in Nevada, the Bureau's records show the overall ratio of cattle to horses is 11:1 on an animal number basis, 4.8:1 on an AUM basis. Within the state, this varies from 66:1 (number) or 23:1 (AUMs) on the Elko BLM District (which has 38 percent of state cattle numbers and 6 percent of horses), to 2.7:1 and 2:1 on the Las Vegas District (which has 5 percent of the state's cattle and 21 percent of wild horses).

A second implication of the conservative horse population estimates bears on BLM's herd management plans. As discussed above, some consideration has been given to reducing horse populations to the level prevailing when the Wild and Free-roaming Horse and Burro Act was passed. One value that has been cited at various times is roughly 17,000, a value derived only the second year of BLM's formal census efforts.

The census research now suggests that the 17,000 estimate was probably conservative. Even if herds were censused with the same skill and effort in 1971 as today, the 17,000 figure would have to be suspected of being conservative because of the Phase II census research findings. Since the 1971 census was conducted largely with fixed-wing aircraft, and only in the second year of census, one has to suspect that this led further to underestimation. The 17,000 figure is undoubtedly low to an unknown, but perhaps substantial, degree.

One final aspect of census bears mention. It does not appear to the Committee that annual censuses are necessary. That necessity would depend on the management objective for which the censuses are conducted, and perhaps there are administrative or public-information reasons with which we are not familiar. But if the purpose is to maintain annual appraisals of herd size in order to know when to carry out herd reduction and to make annual forage allocations, this could in our judgment be done with less frequent census.

Equid populations are demographically conservative by comparison with most species in the animal kingdom. Regardless of whether their herds increase at the often-claimed 16 to 20 percent rates, or at rates lower than 10 percent as speculatively calculated in the Phase 1 Report analyses, it is clear that annual increase rates generally fall somewhere in the limited range of 3 to 20 percent per year.

It seems likely that the Bureau and Forest Service will set as management objectives the maintenance of individual populations within a prescribed range of densities. It seems unlikely that herd management plans will be so rigid as to require that herds be reduced each year in order to maintain them at precisely the same levels annually. Rather, the likely scenario (and this appears to be the practice) would appear to be one of reducing populations to some prescribed level in a given year, allowing them gradually to increase for a few years, and then reducing them again to the earlier numbers.

The point here is simply that it does not appear necessary to census such populations each year to follow the pattern of recovery. If a herd is reduced in a given year and its numbers known, then a district manager can be confident that the herd will increase in following years by somewhere between 3 and 20 percent. This range does introduce a measure of uncertainty, but a census each second or third year would dispel that uncertainty and sharpen the manager's knowledge of the herd's size. In the process, one census every 2 or 3 years should allow considerable savings in funds over the present pattern of annual censuses.

### Considerations on Herd Reduction

Given a policy of maintaining wild equid populations on BLM and Forest Service lands in a geographically flexible, multiple-use mode, as appears mandated by the Public Rangelands Improvement Act--and given the probability that their populations will not self-limit below densities that would be considered excess by the intent of the Act and our criteria discussed above--it seems clear that continuing effort will be exerted to limit most equid populations by human intervention.

The round-up procedures are now well established and could continue to be an important herd-reduction method. However, if the adoption demand for wild horses and burros were to decline, and no other policy allowed for the disposal of excess animals, the feasibility of round-ups might change, since to continue them would accumulate a large number of unwanted animals. Hence, some other mode of population limitation might be found useful as an adjunct to, if not an alternative for, round-ups. Two forms of chemosterilization have been proposed and bear some discussion here. In addition, limited information on several aspects of round-ups has come to our attention that seem worth mentioning.

## Round-Ups

Purposeful and Inadvertent Manipulation of Population Composition It is periodically suggested that herd reductions focus on the disproportionate removal of animals in the prime breeding ages, particularly the females. This practice would skew the age composition of the remaining animals toward the younger, prebreeding, and less fecund age classes and toward a higher proportion of males, with the result that herd growth would be slowed. In particular, Hope Ryden (personal communication) has advocated selective removal of mares in the 7- to 12-year age classes, those of maximum fertility (see Table 2.3 of Phase I Report).

Ron Hall (personal communication), a former BLM employee, has suggested to us that the standard horse round-up techniques tend to work in this direction already. The round-ups attempt to bring in whole bands of animals as encountered in the field by the helicopter drives. The family bands comprised of mares, foals, yearlings, a few younger stallions, and a dominant stallion tend to be cohesive and remain intact as they are driven toward traps during the drives. But the bachelor stud bands do not hold together as well, and these stallions may disperse during the drives. Hence, according to Hall, a higher proportion of the mares and young animals are caught than of the stallions. This presumably would leave a population residue with a higher proportion of males.

In the Phase I Report, we analyzed records in the BLM files to determine the sex and age composition of 8,764 wild horses taken during round-ups (Table 2.7). While the proportion of males among the foals and yearlings was 51 percent, that percentage dropped to 42.8 among the 2-year-olds and older animals. While we speculated in the Phase I Report that this might be due to differential mortality of males, as commonly occurs in mammals, and correctly reflects the age composition of wild horse populations, it could as well result from Hall's selective round-up effect. The fact that this age-specific differential in sex ratios occurs in studied populations in which the sex and age of all animals is determined (Phase I Report, Table 2.10) tends to support our Phase I inference rather than Hall's. Like so many of the equid questions we have addressed, this one can only be resolved with field research.

However, before any commitment is made to examining the effects of round-ups on herd sex ratios, or to engaging in selective herd reduction, some preliminary indications could be gained through computer simulation of the effectiveness of such practices. Conley (1979), Wolfe (1980), Eberhardt et al. (1982), and this Committee in the Phase I Report have calculated rates of herd increase, given various assumptions about reproductive and survival rates and sex and age composition. The same could be done to predict the effect on herd increase rates if different fractions of mares were removed, or if certain age classes of the populations were selectively culled.

The Committee has not had the time or resources to conduct such a study, but one small test was carried out for the purpose of this report. In one simulation of a hypothetical herd that increased at 10 percent per year, removing half of the mares in the 7- to 14-year classes in a single year reduced the increase rate in the following year to 6 percent. In the next year the rate increased to 7 percent, and then to 8 in the year after that.

The net result of this procedure on an actual population would be a material reduction in the increase rate in the year following mare removal. But in each subsequent year the younger age classes would advance a year and enter the highly fecund 7- to 14-year classes. Meanwhile, the age classes originally halved would advance into the older and less fecund ages and decline in numbers due to mortality. The effect would be gradually to return to the original increase rate, and hence the effects of the removal would be short lived.

Furthermore, the difference between a herd growing for a few years at rates increasing from 6 to 10 percent and one growing over the same period at 10 percent per annum turns out to be slight, the former lagging behind the latter in numbers by only 1 year.

Of course, reducing the number of 7- to 14-year-old mares by half is only one of many possible manipulations. Another would be to remove all of the mares in these year classes, plus others. This would obviously reduce the increase rate further, but now the numbers removed begin to affect population, and perhaps social structure materially. Data on the 8,764 horses rounded up by BLM, and discussed above, indicated that females in the 7 to 14 age classes make up about one-fourth the mares in western horse populations (Phase I Report, Table 2.7).

Furthermore, because the 7- to 14-year-old mares make up a minor fraction of the entire population--12 percent of the animals of both sexes analyzed in Table 2.7 of the Phase I Report--their one-time removal would not keep up with annual herd increases, and could in practice work against the goal of reducing the round-up burden. For example, BLM's current herd-reduction practice is to remove a sizeable fraction of a population considered by them to have risen to excess levels. Such a herd might not be rounded up again for, say, 4 years. In this time, a herd increasing at 10 percent per annum would increase by nearly half and would need to be cut back by a third to return it to the level of 4 years previous.

But the 7- to 14-year-old mares would make up only a small fraction--no more than 12 percent--of the population. Consequently other sex and/or age classes would need to be removed. If something approaching the entire third were taken from the mare sex class, this would seriously distort herd composition, since they make up only half of the herds. But if males were removed, this would work against the goal of reducing increase rates, because any reduction in the male component of the herds would tend to raise the net, total-herd increase rates.

Selecting certain sex-age classes for removal and returning the remainder of captured animals to the range would also appear to pose some logistic problems. Since round-ups may gather horses over considerable distance, returning the ones not held out to their original locales would necessitate a "reverse round-up" and considerable increase in cost.

In conclusion, the idea of sex-discriminate removal to reduce herd increase rates has some potential in theory. But closer inspection indicates some problems with the approach that are not intuitively obvious. It should, however, be given more detailed analysis than the cursory one posed here.

## Biological Effects on Herds

1. Foal orphaning. Some evidence has come to our attention regarding the effects of round-ups on herds that may not be generally known. One is the possibility of foal orphaning. In the above-cited BLM data on sex-age composition of 8,764 rounded-up horses summarized in the Phase I Report, the number of foals captured was below what would be expected of a natural, population age distribution. We surmised in that report that the round-ups were missing or leaving behind a portion of the foals. Elsewhere in the report (Table 2.16), we similarly analyzed the age composition of 666 burros rounded-up in Arizona. Here again, the age distribution suggested a deficiency of foals.

Since then, Seal and Plotka (1982) examined the reproductive status of 86 mares rounded-up in the Challis region of Idaho in October 1980. They found 62 of the mares lactating, but there were only 56 foals brought in by the round-up.

Whether foals orphaned by round-ups would fail to survive is not known. William Swan (personal communication) reports that domestic foals born in the summer are self-sufficient by September. Presumably feral animals would be no less vigorous.

2. Abortion. Another apparent effect of round-ups is abortion by rounded-up mares. Lee Boyd sent questionnaires in 1980 to people who had adopted 394 mares from the Rock Springs, Wyoming, corrals in 1977 and 1978 (Boyd, 1980). The purpose was to obtain follow-up information on the history of the adopted animals. Boyd found that a high percentage--perhaps approaching half--of the pregnant mares rounded up in the fall aborted their fetuses, presumably from the stress of the round-ups, penning, transportation, and adjustment to the new, adopted environment. Boyd's evidence (personal communication) further indicated mares rounded up in late winter or spring, when they were near term, were considerably less likely to abort. Hence, she advocated further investigation of the possibility that spring roundups might be preferable to fall.

## Chemosterilization

A frequently suggested alternative or adjunct to round-ups is some form of sterilization to reduce the reproductive and growth rates of equid herds. In fact, this approach would not completely remove the need for round-ups since it would not be a primary means of cutting down an excessively large herd in the first place, but could prevent or slow increase in a herd that had been reduced to, or originally existed at, a desirable level. Both stud and mare sterilization have been proposed, and 1-year and longer sterility have been advocated.

Recent research and available information permit brief comment here on sterilization by chemical means.

Immobilization Although some research has been done recently on administering chemosterilants without immobilizing the target animals, as will be discussed below, some require administration to animals that have been immobilized. Seal et al. (1982) have experimented with chemical immobilization of horses in the course of the Phase II census research. The findings of that work are summarized here, along with a review of previous work on chemically immobilizing equids.

There are no published reports on the use of chemical immobilization for capture of wild horses in North America. Burros were captured in Death Valley with etorphine (Blake et al., 1981) but details of immobilization were not presented. A report to the BLM (Moore, 1979) described the use of etorphine in combination with tranquilizers to capture 34 horses. There were 8 deaths. No drug dosage or physiological data were included. Another report (Borchard, 1980) describes the use of succinylcholine from helicopters for the capture of 23 stallions and 1 mare in Idaho. There were 9 deaths. This investigator tested etorphine in 6 animals in corral trials and rejected its use because of tremors in the animals after immobilization and expense of the drugs. The report includes data on serum enzymes and cortisol in domestic horses immobilized with succinylcholine. High death rates have been common with succinylcholine in horses and other wild species (Tavernor, 1960; Jones, 1972) and we do not consider it advisable to use this drug.

Etorphine in combination with various tranquilizers is commonly used for the immobilization of equids in zoos (Jones, 1972; Seal et al., 1978; Wright, 1982) and in the wild (Harthoorn, 1976). Etorphine, in combination with acepromazine, has been used in thousands of domestic horses particularly in the United Kingdom (Jenkins et al., 1972; Dobbs and Long, 1972; Evans, 1974).

Tranquilizers are used in combination with etorphine to reduce the intensity and duration of the excitement phase during immobilization and to provide better relaxation in the anesthetized animal. Acepromazine and xylazine are most commonly used for this purpose in equids (Kerr et al., 1972; Hillidge and Lees, 1977; Muir et al., 1979). Fatalities have been recorded for xylazine and etorphine in horses, but the incidence appears to be less than 0.1 percent (Hillidge and Lees, 1974; Fuentes, 1978).

Seal et al. (1982) administered combinations of etorphine and xylazine in dosages to test their value as immobilizing agents on 16 recently captured wild mares in the Palomino Corrals near Reno. The results of these trials led to the development of a standard combination of 5.5 milligrams (mg) of etorphine, 150 mg of xylazine, and 3 mg of atropine in a 7-milliliters (ml) dart syringe for field capture. This combination was used, with a dart gun from helicopters, to capture 87 wild horses from about 80 bands. Five animals died at the time of capture, and the remains of 3 were found near the site of capture 4 months later. Approximately 48 minutes of helicopter time were required per horse captured. The cost per animal captured was $159 for helicopter time and $66.7 for drugs and darts.

The investigators found that the induction time and relaxation effects of xylazine were dependent upon dose. It would be useful to do further corral studies to develop a combination of dosages that would further reduce the induction time. This would reduce the losses of animals in difficult terrain and helicopter time.

The calculated material and helicopter-time costs for capturing the animals could be reduced by perhaps 30 percent with experience. This cost figure did not include the time and other expenses of the biologists. The method of capture appears to have particular value for selective capture of animals from individual bands on site. The investigators repeatedly observed that the mares rejoined their bands shortly after recovery. An experienced crew could capture and process 8 to 10 animals in a working day.

Stud Sterilization Kirkpatrick et al. (1981) have conducted research on stud sterilization by administering the steroid hormone testosterone propionate to dominant band stallions. The dosages were delivered in microcapsules with a dart gun from helicopters. Seven band stallions were dosed in 1980 in the Challis Wild Horse Range of Idaho. Their behavior and band reproductive performance, along with those in eight control bands, were observed in 1981. The basic premises of the research were that all breeding is carried out by the dominant band stallion and that band integrity is so tight that mares do not move to other bands where the stallions had not been given the antifertility drug. If the harem stallion's fertility could be reduced without loss of libido, sexual behavior, and social dominance, the mares mounted by him would not be fertilized, and foaling in the band would be reduced or prevented.

Kirkpatrick's results in this one experiment were positive. The number of foals born in 1981 in the seven experimental bands, with their total of 30 mature mares, was 2. The number of foals born in the eight control bands with 35 mature mares was 13. The frequency of sexual and dominance displays by the harem stallions in the experimental bands was not statistically different from that in the controls.

Despite the apparent success of this experiment, there has been considerable skepticism among a number of individuals over the potential of stud sterilization. As mentioned above, its success requires both that the dominant harem stallion do all the breeding and that there is no exchange of mares between bands in which the stallion has and has not been treated.

While Kirkpatrick's observations found these conditions to hold in the Idaho bands he observed, no other observers have found it. Band exchange has been reported by Miller (1980) and others in Wyoming horses, by Martin Vavra (personal communication) and coworkers in Oregon horses, and by Nelson (1980) in New Mexico horses. And it has been observed by Hope Ryden (personal communication) in the Pryor Mountain horses of Montana, despite Kirkpatrick's observation that it does not occur in this area where he conducted earlier research.

Furthermore, both Ryden and Nelson observed breeding by subdominant stallions. And one quote from Miller (1979) seems especially appropos here:

> We have since found that more than one male is breeding in most of these multimale bands. In fact, I have seen one female bred by three different males from her band within five minutes without any apparent aggression between males. We know females are being bred from other bands, and by bachelor males. Except in the usually relatively small single male bands, it seems to be unusual for a female to be bred by only one male.

Nelson (1980) and Ryden (personal communication) have further objected to sterilizing harem stallions on the grounds that it blocks gene flow from the genetically superior animals.

Kirkpatrick also advocates dosages that only block fertility in stallions for a single year. This would require that they be dosed annually to prevent herd growth over any period of years, thereby increasing the cost.

The approach, even if behaviorally successful, would not appear to be applicable to the West-wide problem of wild equid population control. In order to be applied to a major fraction of western horses, it would be necessary to observe individual bands for a period of time to determine which animals were the dominant stallions. Then these animals would need to be pursued and dosed individually by helicopter. To carry out this protocol, especially if annually, with a major fraction of the 40 to 50,000 horses in western United States would appear to be prohibitively costly in terms of time, manpower, and flight costs.

On the whole, there appear to be too many problems and uncertainties with the method as a general technique for West-wide population control. It might have potential for individual, intensively managed areas.

Mare Sterilization The Phase I Report suggested that fertility control of mares was feasible but that further research was needed to test the efficacy of alternative methods. This conclusion remains unchanged.

Fertility control of mares has been suggested as a means of controlling population growth that might (1) reduce management costs by limiting the rate of increase, (2) allow each animal at some future date to serve as a parent and make a genetic contribution to the next generation, (3) minimally disrupt the social structure of the band and herd, and (4) possibly be reversible if increased production became desirable.

Recent data on wild horse pregnancy rates indicate that the age of first pregnancies can occur as early as 1 year, although numerous field studies involving several hundred mares have shown, with the exception of a single animal, first production of foals at 3 years (Phase I Report, pp. 33-34). Mares also can become pregnant while lactating and thus breed successfully in the foal heat or shortly thereafter. Factors limiting successful breeding by 2-year-olds and by lactating mares presumably include the nutritional status of the mare and range condition. Maintenance of satisfactory range quality is one of the objectives of fertility control in wild horses. However, early and yearly reproduction may be enhanced on ranges in satisfactory condition and more extensive fertility control may be required.

Genetic, behavioral, and reproductive considerations suggest boundary conditions for the application of reversible fertility control in wild horses. First, the method might be applied depending on the desired results from demographic analysis to all mares (foals and older) captured in a given area. Second, fertility control would need to be 95 percent effective in treated animals. Third, the treatment would need to be effective for a defined period of time--perhaps 3 to 6 years--and be spontaneously reversible. Fourth, it would need to produce minimal physical morbidity or disruptive behavioral effects. Finally, application of the treatment by local personnel to horses captured on site and released would appear desirable. This would reduce costs of application.

This approach to fertility control appears to preclude application of permanent techniques such as surgical or chemical sterilization, immunization against endogenous gonadotrophins, and the use of intrauterine devices that are difficult to fit and install and that require later removal.

Endocrine suppression of fertility is the other currently available methodology. Target organs for action of endocrine suppression of reproduction include the hypothalamus, pituitary, ovary, fallopian tubes, and uterus. The duration of action of an agent's single dose may range from 1 day to a year. The modes of delivery range from daily intake or monthly injections to implants lasting years. The useable delivery modes appear restricted to the minimum possible for horses. Thus, daily intake of a treated feed would appear impossible to deliver effectively to wild and free-ranging horses. Monthly injections or even seasonal injections also would be of limited application. Such approaches would have to contend with the return to estrus, which would occur with missed treatments and the costs of continuing delivery.

Long-term treatments, effective for more than 1 year, but reversible, are limited to injectable or implantable preparations. Both techniques act by sustained continuous delivery of a compound at an effective dose rate. Injectable, microsuspensions appear to be effective for 6 to 18 months at a maximum. Implants effective for 1 to 3 years have been tested. It may be possible to extend these for longer periods. There have not been suitable studies done in horses to establish effective compounds and doses to allow application of this technique. Such studies need to be carried out first on domestic (or captured) horses if this approach is to be seriously considered.

## SOCIOPOLITICAL AND ECONOMIC CONSIDERATIONS

### Introduction

Sociopolitical and economic factors, as well as biophysical factors, will control the determination of what constitutes excess horse and burro numbers and appropriate control strategies. In the absence of new data or studies since the Phase I Report, the Committee chooses to comment on factors that ought to be weighed in the decision-making process. There have, in addition, been a number of important changes, in attitude as well as in policy, which were detectable as nascent trends during Phase I of our inquiry and which now appear to us to be important aspects of the socioeconomic, political, and legal climate of wild horse and burro management.

## Changed Conditions

In the Phase I Report, several sociopolitical and economic issues were identified, research projects proposed, and several recommended for funding, although none were in fact funded. Therefore, due to budgetary and other constraints, this report does not address some of the topics that were envisioned for inclusion when the Phase I Report was prepared.

Certain conditions, important to any consideration of wild horse and burro management, have changed since the Phase I Report was completed. Public concern about wild horse and burro management appears to have diminished, and interest-group alliances and attitudes have become more clearly focused. Traditional environmental organizations such as the Sierra Club and Audubon Society, and wildlife organizations like the National Wildlife Federation, support the removal of wild horses and burros from public lands. Wild horse and burro advocacy organizations do not present a united front, some groups favoring natural control while others support adoption policies.

These shifting alliances and attitudes may explain new legal developments. In several recent cases, the courts have ordered the BLM to remove wild horses and burros from certain public lands, especially unfenced checkerboard lands. Moreover, in an era of reduced government budgets and program cutbacks, the public and public managers have demanded more cost-effective management methods. For example, the BLM has proposed a $200 adoption fee for wild horses, at least in part to recover the cost of carrying out the wild horse and burro management program. Congress is presently considering legislation that would permit commercial sale of excess horses (S.2183, H.R.5825). This cost consciousness is expected to continue.

Partially related to the demand for reduced cost management, major changes are being considered in both the BLM land-use planning system and the grazing management program. These evolving programs are designed to streamline the planning process, in part by gathering resource inventory and vegetation survey data only in areas where they are necessary for land-use planning. The effect of this change on forage allocation decisions is, as yet, unclear.

All of these changed and changing conditions will influence decision making about wild horse and burro management. Yet to date it is impossible to predict precisely what the influences will be.

## Sociopolitical and Economic Factors To Be Weighed in Choosing Management Options

The Committee and Congress have identified two major management issues facing the BLM and the Forest Service: (1) determining what constitutes "excess" animals, and (2) determining how herd size can be reduced if excess animals exist. In addition to the biological factors that must be considered in making such determinations, certain sociopolitical and economic factors come into play. These are much the same for both "excess" determinations and herd-reduction decisions.

### Social Factors

It continues to be obvious that the major motivation behind the wild horse and burro protection program and a primary criterion of management success is public opinion. Attitudes and values that influence and direct public priorities regarding the size, distribution, and condition of horse herds, as well as their accessibility to public viewing and study, must be an important factor in the determination of what constitutes excess numbers of animals in any area. The choice of control strategies, when and if they become necessary, must also be responsive to public attitudes and preferences and cannot be based solely on biological or cost considerations. The issue of excess numbers is conceptually severable from the strategies question. However, an otherwise satisfactory population level may be controversial or unacceptable if the strategy for achieving it is not appropriately responsive to public attitudes and values.

Limited data on public attitudes toward horse and burro management suggest that three major factors be considered in designing socially acceptable equid removal programs: humaneness of the control procedure, specificity of its impact, and cost-effectiveness. The public is especially concerned about the presumed pain and cruelty of wild horse and burro removals. Criteria for establishing tolerable levels of pain should be considered—e.g., length of time until consciousness is lost, degree of pain evidenced, and percentage of harmed and wounded among the animals removed. Additionally, removal should minimize stress or other risks inflicted on those animals not identified for control. Finally, reasonable costs appear to be a necessary component of any successful management program.

Public perception of excess animals depends considerably on priority uses of the public lands. Serious consideration should be given to the desirability of emphasizing recreational and nonconsumptive enjoyment of horses and burros in areas characterized by frequent recreational use. Conversely, prime agricultural and livestock lands, relatively unimportant for recreational reasons, could emphasize commodity considerations. Finally, limited survey data suggest that both livestock producers and the general public prefer that wildlife be given priority consideration over livestock and wild equids in situations where competitive interaction is significantly present (Kellert, 1981).

In making these determinations through the land-use planning process, the Bureau must be aware of the geographic distribution of the wild horse and burro constituency. Although there are strong biophysical, managerial, and political reasons for local-level resource inventory, analysis, and decision making, such an orientation may severely and uniquely disadvantage horse and burro advocacy organizations.

Personnel attitudes must also be accounted for in the decision-making process. We have, in the process of our inquiries, encountered a broad range of attitudes toward the wild horse and burro management program among BLM employees. We are not, however, confident that attitudes are evenly distributed throughout the Bureau. Indeed, we have met many employees who are sincerely committed to wild horse and burro management in the spirit of the 1971 Act. But our experience also suggests that the Bureau must be sensitive to considerable pockets of resistance to the program within its own ranks and to the pressures which many district and area personnel feel to depict range, population, and other conditions in an antihorse and antiburro context.

### Political Factors

Data As discussed in earlier sections of this report, sufficient research has not been done on equid biology to provide a firm consensus on data regarding equid demography, interspecific relationships, and other critical variables. Reliable data on range condition and trend are also lacking in many instances. Under these circumstances, whatever decision land managers make in allocating forage resources among wild horses and burros, wildlife, and domestic livestock will be disputed on the basis that insufficient data are available to support the decision. Public controversy and debate are inevitable given these data deficiencies.

Land-Use Planning System Whatever land-use planning system is utilized by the BLM, it must confront the difficulty of simultaneously meeting single-purpose and multiple-use management mandates. The Federal Land Policy and Management Act (FLPMA) directs the BLM to manage public lands for a wide variety of uses and does not set priorities among them. The BLM planning system is designed in accordance with FLPMA to achieve this goal, attempting to identify an optimal mix of uses based upon resource values within the planning unit. Other statutes, such as the Wild and Free-Roaming Horse and Burro Act, focus on a single resource and give little direction on how that resource should be balanced with other resource values. Due to the tension between the single- and multiple-use statutes, allocation of forage resources in the planning process will inevitably involve controversial trade-offs.

## Economic Factors

The Phase I literature review led to the conclusion that economic studies of local impact by excess animals, of reductions, or of changed allocations could be accomplished with the application of existing economic methodologies. Research on these topics would importantly quantify alternative management scenarios on local/regional economics.

In the current public management setting, options are affected by budget reductions that will affect funding for many kinds of programs, including those for wild and free-roaming horses and burros; these give heightened attention to cost-effectiveness. The economic outcome may manifest itself in several forms--e.g., reduced budgetary support, increased fee levels, reduced adoption numbers. Management and regulatory cost data for horse and burro programs within the Bureau and the Forest Service are unfortunately not available in the form that will ensure the clear defense of public-sector decisions on cost-effective management options.

Public decisions directly impact the private sector through excess animals, herd reduction, and other allocative decisions. Changing political decisions bear economic costs as well. Uncertainty about possible public management decisions incurs costs on private decision makers, skewing decisions toward short-term strategies, and reducing the attractiveness of long-term investment and management decisions by the private sector. For example, long-term investments in range improvements are not as likely to occur under uncertain and indefinite property or leasehold privileges. Private decision makers must subjectively assess uncertainty about programs, the manner of their implementation, and their permanence as they consider possible management and conservation decisions. Local and regional economies will also be differentially affected by management policies that attempt to deal with allocative decisions brought about by excess horse and burro numbers. These indirect costs are likely to be of more consequence to communities and regions largely dependent on the range-livestock industry, as opposed to areas with more broadly diversified economic bases.

In summary, excess animal and herd reduction decisions cannot disregard the considerable impact of sociopolitical and economic factors. While they may be expressed in noncommensurate values, the marginal benefits and costs of alternative management strategies must be considered nevertheless. Efforts to measure and otherwise obtain widely based information about sound political and economic changes will enhance decision making, as well as the ability to offer defense of public-sector decisions to members of the public, including those in various concerned interest groups.

## LONG-TERM RESEARCH NEEDS

It is obvious by now that the Committee holds the basic conviction that sound and effective management programs require a firm base of scientific information. Without such a base, management decisions tend to be made on tradition, best guesses, and the pressures and opinions of different interest groups, which are seldom objective. And the misconceptions or uncertainties discussed above about niche, rates of population increase, accuracy of the censuses, degree of food and habitat partitioning between feral equids and other species, economics, and public attitudes bear witness to the problems with which decision making in that climate is beset. In the long run, management programs based on a sound information base will be in the best interests of the range resource, the various classes of animals using that resource, and the American public.

We prescribed a lengthy list of research projects in the Phase I Report, including a rationale, objectives statement, and brief resume of suggested methodology for each. These are listed in Table 1 of this report.

We do at this point recommend one additional study to investigate the validity of the tooth-aging technique in equids. A precise understanding of herd age structure is important to a thorough assessment of population dynamics and there are some uncertainties about the validity of the tooth-eruption and -wear criteria for wild horse and burro age determination. Hence, the criteria need to be investigated and either verified or changed.

Beyond the addition of this project, we have not changed our views on the need for the studies outlined in Phase I. Hence, our position on research needs is essentially the same as that set forth in the Phase I Report and we see no point in duplicating them here.

However, a few comments can be made in closing. The recommended projects are shown in Table 1 of this report in order of priority judged by the Committee. We do not suggest that all of the projects have equal importance. But we do suggest that at least the top two or three priorities should be considered a minimum program.

Some mention needs to be made about time scale. PRIA allowed roughly 2 years for completion of the research. A number of the projects could have been completed in that time if the funds had been available at the beginning of Phase II. But the more heavily ecological studies require far more time, as was pointed out forcefully on page 108 of the Phase I Report. Given the great year-to-year climatic and biological variation in the semiarid and arid regions occupied by feral equids, at least 7 to 10 years are required to begin to gain an insight into the effects of grazing on vegetation, hydrology, and other animals. Indeed, the excellent understanding of cattle- and sheep-grazing effects developed on the Experimental Ranges of the Forest Service and Agricultural Research Service in New Mexico, Colorado, Idaho, Utah, and Arizona has only come after decades of research.

A final word needs to be said about the need for improved research administration in the BLM. The agency now has a science staff, but it is small and, as pointed out by Mankin et al. (1979), heavily burdened with management and administrative assignments. We believe that BLM ought to explore options for strengthening that staff.

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# APPENDIX

## EXECUTIVE SUMMARY OF PHASE I REPORT

### BACKGROUND OF THE REPORT

The Public Rangelands Improvement Act of 1978 (PL 95-514) and contract AA 551-CT9-16 between the Bureau of Land Management (BLM) and the National Academy of Sciences (NAS) direct NAS to impanel a committee to assess the state of knowledge on wild horses and burros, to recommend research to fill gaps in knowledge, to oversee the research during its conduct, and to compile all relevant information at the end of a 2-year research effort. The state-of-knowledge assessment and the research design were designated Phase I of the total undertaking, and this document is the final report of Phase I. It reviews knowledge about a wide array of topics, recommends 18 research projects, and discusses information relative to policy questions without, itself, advocating policy.

The Committee on Wild and Free-Roaming Horses and Burros was impaneled in June 1979. It divided its task among three subcommittees with responsibility for horse and burro biology, effects on other ecosystem components, and sociopolitical and economic considerations. Following the introductory statement in Chapter 1, the main body of this report is divided into four major sections. Chapters 2, 3, and 4 correspond to the subject matter investigated by the three subcommittees, and Chapter 5 is concerned with research and management methodology. There are also three appendixes.

### BIOLOGY OF HORSES AND BURROS

#### History and Paleontology of Equids in North America

The mainstream of equid evolution occurred in North America. Fossil evidence shows the presence of a large horse and an ass, structurally indistinguishable from the modern horse and donkey, as recently as 11,000 years ago. Their extinction occurred at that time along with the demise of a number of other species of large mammals. Modern wild horses and asses were reintroduced into North America by the Spaniards in the late fifteenth century. Some observers believe that the vegetation in the West was vulnerable to the introduction of domestic herbivores because it had experienced little grazing pressure since the late Pleistocene period. These observers consider equids to be particularly disruptive to the ecosystem because they are alien to the region. However, the view may need to be tempered by a knowledge of the paleohistory of equids in North America. The possibility exists that there are vacant niches into which these animals could fit.

## Social Organization

Two types of social organization have been reported in wild equids: (1) the harem or stable family group, with a dominant male; and (2) the territorial form, in which stable bonds occur only between mother and offspring. These may constitute the extremes of a continuum along which different species--and different populations within a species--occur, depending on environmental, social, and population factors. For example, feral asses (burros) in the arid southwestern United States have little social structure except for the mother-young relationship, exist at low densities, and display considerable aggressive behavior. In contrast, asses on humid Ossabaw Island, Georgia, form stable groups and display little aggressive behavior.

Under conditions of dry-season water stress in arid areas, asses concentrate within 3 km of water sources, and lactating females commonly threaten and reject their own young when they attempt to nurse. Concentration of the animals around watering areas has a heavy impact on local vegetation. Arid-land burros are browsers and may spend up to half their time feeding. On Ossabaw Island, however, burros are grazers and spend only about a third of their time feeding. Male asses in the Southwest display greeting behavior among themselves, but rarely are social grooming or social play seen among the young. Ossabaw Island animals exhibit the reverse of these patterns.

The basic social organization among wild horses is that of a family group with a dominant male, subdominant males, and females and their young, but some variations on this pattern occur, as do exchanges between groups. In arid areas, distribution of horses is oriented around water during the dry season, but in areas more to the north, distribution seems to be oriented around availability of forage.

## Equid Demography

### Horses

Although confined domestic fillies begin ovulating and breeding at 1 year of age, only one 2-year-old mare has been observed to bear a foal in seven wild horse studies spanning 1 to 5 years' duration. A small percentage (mean of 13 in the studied herds) breed at 2 and foal at 3 each year (gestation period is about 11 months). Evidence suggests an increasing percentage of mares foaling in each older age class, as occurs in domestic horses, with around two-thirds of 5-year-old and older animals bearing young. Whether the percentage declines after ages 10 to 12, as in domestics, is not known. Wild horse breeding is highly seasonal, with most foals born from April to June.

Only crude approximations exist of first-year survival rates in wild horses: the available values range from 50 to 86 percent. Mean annual adult survival rates are also poorly known, but most estimates fall between 75 to 95 percent. Age compositions of 8,764 animals rounded up during herd reductions show that the greatest numbers are in the youngest age classes (40 to 45 percent of all animals are in the foal through 2-year-old classes), with progressively fewer in each older age-group. Males slightly outnumber females at birth, decline to 39 percent of animals at 4 to 6 years of age, and then may increase again slightly in the older age classes. Total herd sex ratios approximate 55 percent female.

Population increase rates calculated from BLM and U.S. Forest Service (USFS) census data average 15 to 20 percent annually for western U.S. horse herds, rates similar to those quoted by these agencies and cited in a number of earlier publications. In some cases, these may be magnified by (a) increasing commitment to and proficiency at censusing, (b) increasing visibility as herd sizes increase, and (c) change from fixed-wing to helicopter censuses in the 1970s. But in others, the experience of observers, low-stature vegetation and moderate topography, and fencing that prevents ingress or egress would seem to preclude these biases.

In contrast, two authors have projected increase rates with population models that incorporate birth and death rates similar to those published for several herds and concluded that annual herd increase rates well below 10 percent are probable. Similar calculations with life tables in this report indicate that 15 to 20 percent increase rates can only occur in populations with geometric age distributions with (a) very high reproductive rates, and (b) virtually no mortality. Such demographic conservatism is produced in populations with half their numbers in prebreeding or low-breeding (3-year) age classes, only about two-thirds of older mares foaling each year on the average, and some mortality. The question of increase rates is central to horse management, and the disagreement cannot be resolved with presently available information. Research is needed to settle the question.

### Burros

A small percentage of 2-year-old burros foal 1 year earlier than horses. The percentage of 2-year-old and older jennies foaling exceeds 60 percent per year, on average, with the 2-, 3-, and 4-year-old percentages probably exceeding those for horses of the same ages.

Some populations breed year-round, albeit with spring-summer emphasis in some. Survival rates are less well known in burros than in horses, but some evidence suggests high first-year loss in some areas and years, low in others. Age compositions are roughly similar in the two species, but some burro populations have higher percentages of foals. The earlier breeding and higher fertility rates potentially enable burro populations to increase faster than horses, but reported rates of 20 percent per year and higher press the biotic potential of the species, given geometric age distributions. Some populations have been reported to increase very slowly or not at all, as in the case of several Death Valley populations. In general, burro demography appears more variable than that of horses, suggesting some sensitivity to density and the plasticity of a species adapted to the desert. Fecundity rates of females rounded up during herd reduction could be determined readily through rectal palpation.

## Genetic Polymorphism

A knowledge of genetic polymorphism in horses and burros could give some idea of the minimum herd size needed to survive through periods of environmental change and could delineate the racial lineage of wild horses, including their relationship to Spanish mustangs. While some work has been done on the genetics of domestic horses, none has been done on wild animals. Modern techniques of blood-group genetics provide a powerful tool for addressing these two biological questions.

### Nutrition

While burros apparently prefer green grasses and forbs, they are highly opportunistic, broad-spectrum feeders, and are capable of surviving on high-fiber, low-nitrogen diets, including coarse shrub branches, yucca, and cholla cacti. Studies conducted so far show grasses ranging from 0 to 79.6 percent, forbs from 8.0 to 77.4 percent, and browse from 5.7 to 83.8 percent of burro diets at different seasons and in different areas. Horses are much more selective feeders. Some use of forbs and browse has been reported, but in 29 published diet analyses, consumption of grasses ranged from 36 to 100 percent of total diet, averaged 89.4, and made up 85 percent or more in 24 of the studies. This dietary preference coincides closely with that of cattle and overlaps to some degree and in some seasons with those of elk, bighorn sheep, bison, and pronghorn antelope. Most dietary studies have not related animal data to vegetation composition, nor have they described spatial and habitat overlap with sympatric ungulates or lack thereof.

There is some reason to believe that equids have higher forage intake rates per unit of body weight than ruminants because food can pass more rapidly through the equid's cecal digestive system. The ruminant is limited in its throughput rate by the capacity of the rumen and the fermentation rate that occurs there. As a result, the equid may have an advantage when only high-fiber forages are available, since it can compensate for the low nutrient content by increasing its intake.

Essentially no data exist on the nutritional responses of free-ranging equids in western North America to the well-studied and well-documented seasonal changes in nutritional content of vegetation. In the Southwest, forage quality is highest in late winter and early spring in the Mojave Desert, with its winter rainfall season; in late summer and fall in the Chihuahuan Desert, with its late-summer season; and at both times in the Sonoran Desert, with its bimodal rainfall pattern. In the Great Basin-Intermountain region forage quality is highest in spring and early summer. If equids can compensate for low-quality forage by increasing intake, then quantity rather than quality may be the factor that limits food; thus equids may be less subject to seasonal nutritional stress than are ruminants.

### Habitat Preferences

Understanding habitat preferences and uses is important to detecting competition between equids and other herbivores, wild or domestic: to making forage-allocation decisions: and to establishing site-suitability criteria for equids, domestic animals, and wildlife. Competition occurs when two species use a common resource and reduce it to the point where the numbers of one or both species are limited. If the resource is not reduced to this point, the two species can both use it without competing. It is conceivable that two or more species of herbivores (a) may choose and occupy different habitats and thus not compete; (b) may have overlapping habitat preferences but segregate through behavioral interaction, thus competing only if food becomes limiting; (c) may occur in the same habitat but eat different foods, in which case they will not compete; and (d) may co-occur and eat similar foods, competing only when food becomes limiting.

### Recommended Research

Seven research projects on the biology of horses and burros are recommended:

- Project 1: Habitat Preference and Use
- Project 2: Food Consumption Rates and Nutrition
- Project 3: Nutritional Plane, Condition Measures, and Reproductive Performance
- Project 4: Blood Assays
- Project 5: Demography
- Project 6: Social Structure, Feeding Ecology, and Population Dynamics
- Project 7: Genetic Polymorphism.

The projected 2-year span for the research is unrealistic. Because of the extreme year-to-year variability of environmental conditions and equid performance, no comprehensive picture can be developed in less then 6 to 10 years. Project 1 should be conducted in areas not less than 5 to 6 square miles per experimental treatment. Projects 2--and 8 and 9 to be listed later--can be carried out in paddocks of 100 to 300 acres. All experiments should be conducted in treatments involving horses only, cattle only, and horses and cattle, each at moderate and heavy grazing intensities. Horses and cattle are emphasized here because the possibility of their competition, both for space and for food, seems to be greatest. If funds permit, the research could be repeated with burros and with domestic sheep. Projects 2 and 9 should contain control areas without grazing.

## EFFECTS OF EQUIDS ON OTHER ECOSYSTEM COMPONENTS

### Impacts on Rangeland

Although it is widely alleged that horses and burros have severe grazing impacts on western rangelands, there are few published studies about the nature and extent of these impacts. Most of the existing studies are on grazing effects of burros. Studies along the lower Colorado River and in Death Valley National Monument showed heavy impacts on vegetation from grazing burros within a radius of 2 to 2.5 km from water areas. Studies in the Grand Canyon National Park showed heavy impacts at the Colorado River elevation and moderate-to-light effects at progressively higher elevations. Range in Bandelier National Monument was degraded over 4,000 ha by 107 to 120 burros. A study in the Lake Mead National Recreation Area, however, revealed no major impacts. Little controlled research has been done on impacts of grazing horses; the extensive management of horse range apparently proceeds largely from management-level inventories, experience, and judgment.

The range-ecology conceptual framework used in livestock management can at least be used as a starting hypothesis for, if it cannot be applied directly to, equid management. In this scheme, plant-community successional trends are roughly proportional to grazing intensity. Properly managed grazing--which takes into account the species, number of animals, season, and distribution of grazing--can be harmonious with most resource needs and values. The specifics of managing range vegetation vary geographically and seasonally with climate and vegetational type. Year-to-year variation in precipitation can be a more influential factor in altering plant-community composition than season and intensity of grazing. Annual forage production is strongly correlated with that same variation, and herbivore numbers properly should be adjusted to the changes.

## Interspecific Competition

Because competition only exists where a population is limited to some degree, it is best demonstrated experimentally by manipulating the numbers of one suspected competitor and observing whether or not the other responds. If the population cannot be manipulated, a preliminary indication can be gained by calculating the resource need of each species, measuring the amount of resource available, and determining whether the need exceeds that available. Ideally, such calculations should be combined with population-limitation experiments.

Burros are widely claimed to compete with desert bighorn sheep for water, forage, and space. Reports on water are conflicting and may depend on abundance. Competition for forage could occur near water holes. Two authors indicate that sheep avoid areas occupied by burros. While all of this evidence is equivocal, several authors point to negative correlations between burro and bighorn distribution in space and time. The possibility of burro competition with mule deer has been reported for Bandelier National Monument, and there is evidence of competition with small mammals in Grand Canyon, Death Valley, and Bandelier. Less work has been done on horse competition. Dietary overlap has been reported for some seasons and some areas between horses, cattle, elk, mule deer, pronghorn antelope, and bighorn sheep, with joint occupation of the same habitat in some cases.

## Effects of Equids on Soils

There are numerous anecdotal or localized reports of equids, mostly burros, compacting soil surface, forming trails in steep terrain that accelerate erosion, and polluting water holes. Equids are potentially capable of the same types of impacts as are created by livestock. The latter have been thoroughly studied.

Overgrazing (a) reduces protective cover and increases the impact of raindrops, (b) reduces soil organic matter and soil aggregates, (c) increases surface vesicular crusts, (d) reduces infiltration rates, and (e) increases erosion. Overgrazing reduces vegetation mulch, increases the proportion of bare ground and rock cover, increases soil bulk density, and reduces moisture infiltration rates.

Heavy grazing increases the sediment load of watershed runoff, an effect caused mostly by vegetative reduction, but also partly by trampling. Serious problems of sediment production in the riparian zone are often associated with bank instability. Total and fecal coliform counts generally increase with the presence of livestock, especially during runoffs. In some cases, bacteria are stored in the bottoms and banks of streams.

### Recommended Research

The following research projects are recommended:

- Project 8: Grazing Impacts on Range-Plant Communities
- Project 9: Hydrologic Impacts
- Project 10: Riparian-Zone Impacts

Horse-cattle studies are again accorded priority because horses are more widespread than burros, potentially more serious competitors with livestock, and more likely to compete with cattle than with sheep. Horse-sheep studies should be initiated if resources permit.

Studies of equids in relation to wildlife are not recommended at this time because the possible combinations (horse-elk, horse-deer, horse-antelope, horse-bighorn, burro-desert bighorn) are so numerous, and because controlled experiments with wild ungulates are so difficult. But we urge that federal and state agencies watch for opportunities to take before-and-after censuses of wildlife populations in areas slated for horse or burro herd reductions. Censusing 1 or 2 years before and several years after herd reductions could give clues to the existence of competition, especially if censusing were replicated in several areas. If nearby populations in areas with no equid reductions could also be censused in the same years, the results could be compared to create a roughly controlled experiment.

## SOCIOECONOMIC AND POLITICAL ISSUES

In the Committee's opinion, several kinds of socioeconomic and political information are needed to facilitate decision making in horse and burro management. While there is abundant information on range and ranch economics in the western United States, there is little economic literature specific to wild, free-roaming horses and burros, and development of market and nonmarket valuation techniques is limited. Areas in which inquiry is needed include: (a) the value of and demand for wild horses and burros; (b) evaluation of adoption procedures; (c) evaluation of control and managment techniques; (d) analysis of optimal numbers for wild equids and management alternatives; and (e) evaluation of the costs of existing legal regulations and restrictions.

The legal-political literature on wild horse and burro matters is extensive, particularly in terms of providing a perspective on the public agencies' overall land-management responsibilities--the context in which policies concerning wild horses and burros should be considered. Review of civil cases under the Wild and Free-Roaming Horse and Burro Act of 1971 shows that most lawsuits fall into two categories: (1) those challenging the need for round-ups, and (2) those questioning the adequacy of the environmental impact statements relied upon both by the government and by those challenging federal--as opposed to state--government authority over the animals. Concern has been expressed over protection of the animals, preservation of state control, impacts on rangeland, and the validity of information and views on population characteristics and impacts on other wildlife as well as the range resources.

There are almost no data on sociological aspects of the wild horse and burro issue.

## Recommended Research

Six research projects, one of which is designed at three levels of intensity, are recommended. They will provide a base of socioeconomic and political data that will facilitate decision making in equid management. The projects are organized into three groups in descending priority in terms of importance of information and urgency of funding:

Group 1 includes:

- o Project 11A: Taxonomy of Values and Benefits
- o Project 13: Management Costs of Alternatives
- o Project 14: Economic Considerations for Management Alternatives Drawn from Proposed Research Programs

Group 2 includes:

- o Project 11B: Public Preferences for Alternative Management and Control Strategies
- o Project 12: Analysis and Evaluation of Demands for Excess Wild Equids
- o Project 15: Nonmarket Values

Group 3 includes Groups 1 and 2 and adds the following investigations to provide socioeconomic data necessary to a systems-level understanding of wild-equid management:

- o Project 11C: Public Attitudes, Preferences, and Knowledge
- o Project 16: Conceptual Development of Public Rangeland Management Models

## RESEARCH AND MANAGEMENT METHODOLOGY

Methodology for censusing animal populations falls into three basic categories: (1) indices, (2) complete counts, and (3) various kinds of estimates based on sampling. Indices do not appear to have much potential in equid census, because they do not provide the estimates of actual numbers needed for forage allocation unless calibrated to total numbers. Current agency census efforts attempt complete counts from the air. The completeness of these--as well as the effects of such factors as vegetation type, topography, airspeed, altitude, type of aircraft, and observer experience--remain largely unstudied. One study showed experienced observers to be more efficient at spotting horses than inexperienced ones.

The accuracy of existing censuses must be tested and correction factors devised for deviations from total accuracy. Several approaches can be taken. Complete counts are most likely to err on the conservative side, but the Committee's impression is that current horse censuses, especially in open terrain, are reasonably accurate. On the other hand, one test of accuracy of a burro census in Arizona showed that only about a third of the burros had been counted. Some estimation techniques--especially mark-resight methods--may be useful with burros, and plot sampling may be possible for horses. These methods should be coupled with others, preferably complete counts, so that accuracy can be checked. Accuracy of an equid census can be affected by relative visibility, which may increase as group size increases; by observers' experience, as mentioned above; and by certain approaches to random sampling.

Preliminary analysis of BLM and USFS census data showed: (a) a failure to standardize the season of census, which raised the problem of a seasonal change in numbers due to foaling; (b) an abrupt 88 percent mean increase in horse numbers in the years when helicopter census replaced fixed-wing-aircraft census; and (c) less variability in the helicopter counts.

The "Soil-Vegetation Inventory Method" is commonly used in contemporary range-survey work and for a number of other purposes, including compliance with the wild horse and burro mandates of recent legislation. The Committee reviewed 10 BLM and joint BLM/USFS wild horse capture plans with their accompanying environmental analysis reports (EARs). Eight reductions were proposed because of problems perceived in range conditions. However, few provided much information on range condition and the techniques used to determine it, or on which herbivores (horses, cattle, wildlife) caused the problem. The most recent EAR provided detailed supporting data. The Committee concluded that, while range studies have not always been properly used to support adjustments in numbers of wild equids, the technology exists and appears adequate.

Fecal analysis, the most widely used technique for analyzing diets, is currently subject to question in ungulate studies. Not only do some consumed plant species fail to appear in feces, but the proportions of food items consumed and those showing up in fecal remains differ. The equid digestive tract may be less subject to these problems, a possibility that is supported by studies on zebra diets. However, conclusions based on equid fecal analysis should be drawn with caution until the method has undergone further study, preferably with the use of fistulation.

A more intractable problem is that of the time lag between consumption of forage and fecal deposition in highly mobile species such as equids. Defecation may not occur until 37 hours after ingestion, making it difficult to relate diets to the vegetation and habitat from which they were taken. Statistical problems and lack of micronistological reference material may pose other difficulties.

The in vitro techniques widely used for studying ruminant nutrition should not be relied upon until they have been proven for equids. In vivo comparisons, the use of indicators, and regression procedures should all be tried.

Assays of a number of chemical constituents in the blood may have potential for (a) evaluating nutritional condition of individual animals, and (b) using an animal's condition to indicate the nutritional adequacy of the range it occupies. Blood samples could be taken easily from horses and burros brought in from herd round-ups, and from animals used in the research projects.

A number of the research projects outlined in this report can use confined animals, domestic ones, or both. Questions will arise as to the degree to which the results from the two categories can be extrapolated to wild and free-roaming animals. Observations of the behavior of the two former groups and of wild and free-roaming animals can be used to assess the comparability of results and to facilitate extrapolation from one group to another.

A set of observations of behavior is set forth to assist in cross-comparisons. The set includes considerations in selecting the animals to be observed, statistical aspects, behaviors to be recorded, and schedules of observation. In addition, recommendations are set forth for observations of behavior to be made within the specific research projects outlined in this report, including an extensive repertoire of social and maintenance behavior. The rationale for each recommendation is included.

If fertility control is deemed a desirable method for limiting population, a range of contraceptive agents is available that could be implanted and might be effective for up to 5 years. Considerations of population and behavior point to attempts at reducing fertility in mares rather than stallions. The technique needs to be researched, however, initially in captive animals.

Chemical immobilization is not deemed an efficient primary capture technique for wild horses, but it can be used to quiet captured animals for purposes of research and handling. The preferred drug for this use is etorphine (also known as M99 or Immobilon).

Two methodological research projects are recommended:

- Project 17: Census Methods
- Project 18: Contraception Studies

Project 17 should investigate the validity of two or three alternative census techniques, including "complete" counts. The project should begin with a pilot effort on horses, later extended to burros. Project 18 should evaluate contraceptive methods.

### WILD HORSE AND BURRO PROGRAM

Senator McCLURE. According to newspaper stories, the studies concluded that there were more horses on the range than previously estimated; that they ate more forage than cattle; that their reproductive rates were lower than BLM thought; and yet, over all, they were not as competitive with grazing stock for available forage as BLM had contended.

How do you react to these conclusions?

Mr. CARRUTHERS. Mr. Chairman, what study was that?

Mr. BURFORD. That's an NAS—National Academy of Sciences report. I am sure that the committee does have copies of the report. They were made available sometime ago. There is a copy of it right here, which I will leave, in the event yours has been misplaced somewhere. However, we did have an idea that perhaps the part of the report which came out and stated that there were more horses on the range than we had estimated might turn out to be that way. As to the horses' reproductive rate, I don't think the Bureau had made any assumptions on the reproductive rate in the past; so we accept what NAS has found. As far as the competitiveness of horses, as compared to domestic livestock, as a rancher, I would question that. But I assume they used some scientific method to arrive at their conclusion; so, as the Director of the Bureau of Land Management, I will not question it.

The Assistant Secretary informs me that probably it was an economist that made the assessment.

Senator McCLURE. Well, I'm a little puzzled about two or three of their conclusions. One, they said, first of all, you had not counted them right in the first place; second, don't worry quite so much, because they don't reproduce so fast, and even though they eat more than cattle, they don't compete for forage, or that you have overstated their competition for forage.

Mr. BURFORD. I could not reconcile those conclusions in my own mind either. They don't seem to mesh.

Senator MCCLURE. They don't to me, but maybe that's why they are scientists and I'm not. But it seems to me, if you have got more of them eating more than you thought you had, and you find that they eat more than cattle, that they are in competition for forage, although perhaps you had stated the fact in the past. They were competitive based upon either, first of all, lower numbers than there are actually present, you must have estimated they ate an awful lot more forage.

Mr. BURFORD. Well, it was a basic assumption a good many years ago; and it was accepted as an assumption at the time the Taylor Grazing Act was passed, that a horse consumed approximately twice as much forage as a cow, and that a cow consumed five times as much forage as a sheep.

Senator MCCLURE. The national academy says a horse only eats 14 percent more than a cow.

Mr. BURFORD. Yes; but I have been around a lot of horses, and I really question that conclusion. A horse grazes at least 23 hours a day, if feed is available.

Senator MCCLURE. That's particularly true if the feed is available.

Mr. BURFORD. Yes, that is right.

Senator MCCLURE. I think that's probably true, and when a cow gets full, he lies down.

Mr. BURFORD. And a cow sleeps, and a horse seldom does.

Senator MCCLURE. I wouldn't expect the national academy to know that. [Laughter.]

There are other studies concerning the amount of forage that a cow consumes and a horse consumes, other than this study.

Mr. BURFORD. I think there probably are quite a few studies made in the land-grant colleges.

Senator MCCLURE. Have you reviewed them? Could you, perhaps, without going to a great deal of work, review them and provide some information?

Mr. BURFORD. Yes; I think that information is probably fairly readily available from some of the land-grant colleges.

[The information follows:]

## WILD HORSE AND CATTLE FORAGE CONSUMPTION

The National Academy of Sciences (NAS) Phase I report presented findings (in 1980) on wild horse dietary composition as shown on the following table.

TABLE 2.22 Diets of Wild, Free-Roaming Horses Over a Range of Vegetation Types and Seasons, as Determined by Fecal Analysis

| Study | Vegetation Type(s) | Season(s) | Dietary Composition (%) Grasses | Forbs | Browse |
|---|---|---|---|---|---|
| Hansen (1976) | Desert grassland | Spring | 58 | 28 | 9 |
| | | Summer | 58 | 13 | 28 |
| | | Fall | 36 | 31 | 28 |
| | | Winter | 36 | 42 | 21 |
| | | Annual | 47 | 28.5 | 21.5 |
| Hubbard and Hansen (1976) | Mountain shrub | Annual | 85 | 1 | 12 |
| | Pinyon-juniper | Annual | 89 | 0 | 7 |
| | Ecotone | Annual | 97 | 0 | 2 |
| Hansen and others (1977) | Sagebrush-grass and pinyon-juniper | Annual | 94 | 0 | 5 |
| Olsen and Hansen (1977) | Sagebrush-grass and saltbrush | Annual | 91 | 8 | 1 |
| Salter and Hudson (1979) | Upper foothills of boreal forest | Jan-Mar | 87.5 | 0.6 | 5.9 |
| | | Apr-May | 92.5 | 0.8 | 3.0 |
| | | June-Aug | 98.5 | 0.8 | 2.3 |
| | | Sept-Oct | 95.2 | 1.9 | 1.5 |
| | | Nov-Dec | 89.3 | 0.4 | 5.1 |
| | | Annual | 92.6 | 0.8 | 3.6 |
| Vavra and Sneva (1978) | Desert-forest fringe of the cold desert | Normal Year | | | |
| | | Spring | 99 | -- | -- |
| | | Fall | 98 | -- | -- |
| | | Winter. | 100 | -- | -- |
| | | Annual | 99 | -- | -- |
| | | Dry Year | | | |
| | | Spring | 95 | -- | -- |
| | | Summer | 100 | -- | -- |
| | | Fall | 100 | -- | -- |
| | | Winter | 97 | -- | -- |
| | | Annual | 98 | -- | -- |
| Vavra and Sneva (1978) | Sagebrush-grass (4 locations varying in sagebrush dominance) | Annual | 92.8 | 7.0 | 0.2 |
| | | Annual | 95.9 | 3.6 | 0.5 |
| | | Annual | 85.8 | 12.9 | 1.2 |
| | | Annual | 95.2 | 2.5 | 2.4 |
| Mean and coefficient of variation (%) over all seven studies | | | 89.4<br>(15.1) | 5.8<br>(146.7) | 5.1<br>(125.7) |

The NAS sponsored five research projects in Phase II of its study (in 1982), two of which addressed wild horse and cattle diets:

I. Colorado State University. A Study of Food Consumption Rates and Nutrition of Horses and Cattle. L. R. Rittenhouse, principal investigator.

   Conclusions on rates of forage consumption:

   - Intake of horses does not appear to be related to gut fill; the strategy of horses seems to be to maintain the same absorption per unit of time as ruminants by having a greater intake and shorter passage time at the expense of a reduced efficiency of cellulose digestion.

- Horses utilize dry matter and energy less efficiently, but nitrogen and crude protein more efficiently, than cows.

- Diet similarity between mares and cows by season was as follows:

| | | |
|---|---|---|
| June 4-6 | : | 85% |
| July 16-22 | : | 80% |
| August 25-31 | : | 89% |
| September 20-26 | : | 89% |

- Mare diets consisted of 99 percent grasses and grasslike plants compared with 92 percent for cattle.

- Cattle diets were higher in browse (4.9%) than were mare diets (0.8%).

- Mares consumed 20 percent more dry matter than cows. Lactating animals consumed more dry matter than non-lactating animals (20% in horses, 16% in cattle).

- Weight of animal had little influence on intake in horses.

- The ability of horses to graze forage more closely than cattle implies competitive advantage of horses over cattle in conditions of limited forage availability or quality.

2. University of Wyoming. Vegetation Utilization, Diets, and Estimated Dietary Quality of Horses and Cattle Grazing in the Red Desert of Westcentral Wyoming. M. Smith and J. Waggoner, principal investigators.

   Conclusions on rates of forage consumption:

   - Cattle consumed a broader array of forage species than horses, with grasses constituting 45 percent of diets vs. 65 percent in horses. Shrubs constituted 25 percent of horse diets.
   - Exploitative competition between horses and cattle is probable under unconfined conditions, but was not demonstrated in this study.

   - Similarity indexes were calculated and reported as shown on the following table.

Table 5. Summer mean similarity indexes (%) and rank-order correlations coefficients ($r_s$) for horses and cattle under moderate and heavy stocking densities in the Wyoming Red Desert.

| PERIOD | Heavy Horses/Cattle (%) | Heavy Horses/Cattle $r_s$ | Moderate Horses/Cattle (%) | Moderate Horses/Cattle $r_s$ |
|---|---|---|---|---|
| TRIAL 1 (June 15-June 26) | 54 | 0.75 | — no data — | |
| TRIAL 2 (June 30-July 5) | 70 | 0.63 | 69 | 0.68 |
| TRIAL 3 (July 17-July 22) | 77 | 0.82 | 75 | 0.67 |
| TRIAL 4 (July 31-August 5) | 82 | 0.71 | 76 | 0.60 |

Similarity indexes indicate the percent overlap in plant species composition of horse and cattle diets. Rank-order correlation coefficients are a measure of the similarity in forage preference (selection of forage species) in diets, expressed as a fraction. A value of 1 would indicate total similarity in preference among available species; 0, a lack of similarity.

## WILD HORSE AND BURRO ADOPTION FEES

Senator McClure. What is the status of the lawsuit concerning adoption fees and destruction of excess animals?

Mr. Burford. The adoption fee issue has been settled and the fee for horses was lowered to $125 per head—this justification book was printed before that decision was made—and a fee of $75 for burros was retained. On the lawsuit concerning the study of these fees, I was assured by my attorneys at the time of that change that I did not have to go to the Federal Register. When I got to court, I found out I was wrong and the attorneys were wrong on that point. So we agreed to go out with Federal Register publication and for comment. After the comments came in we made an assessment of them, in conjunction with some studies which proved to our satisfaction that we possibly could get a maximum adoption fee—maximized for both adoptions and income—with a fee of between $125 and $135 per head for horses. Using those studies and the comments, I did change that fee to $125 per horse, approximately 3 weeks ago.

Senator McClure. Now that isn't the uniform fee everywhere?

Mr. Burford. Yes; it is the uniform adoption fee. The transportation cost is additional.

Senator McClure. Because I have two of your releases here, one based upon Cross Plains, Tenn., and the other, Lewisberry, Pa.

Mr. Burford. Yes, sir.

Senator McClure. How far do you transport horses?

Mr. Burford. Some of those horses come from Idaho, and some come from Nevada and Wyoming.

Senator McClure. You're shipping them across the country, in order to sell them?

Mr. Burford. In order to adopt them, sir.

## WILD HORSE BREEDING

Senator McClure. Excuse me. Adopt them. Some people have suggested your selective breeding program is unfairly in competition with horse breeders.

Mr. Burford. If they look at most of the product, I would doubt that it comes to that.

Senator McClure. I know you started with a very bad product and it very badly needed upgrading. Have they been doing that actually as a matter of practice out in the field?

Mr. Burford. Upgrading them?

Senator McClure. Yes.

Mr. Burford. There's been a recommendation. Some people are interested in wild horses, but we have not been upgrading them, no, sir.

Senator McClure. If you look at the practices of some of the people out in the field, you will find you have been, as a matter of fact. I would invite you to take another look at that. I don't want to go into detail on the record, but I would.

Mr. BURFORD. We have moved some wild horses around, I guess. I don't know whether it is an improvement or degradation.

Del, would you care to field the question?

Mr. VAIL. We have moved some studs around to change the bloodline in some herds.

Senator MCCLURE. Why are you moving the studs around to change the bloodline? Isn't that selective breeding?

Mr. VAIL. You could call it selective breeding, yes.

Senator MCCLURE. What else would you call it?

Mr. VAIL. The State of Utah calls it something else, because Wyoming was requested to send them a couple of studs; and one of them we found out was a gelding. [Laughter.]

Senator MCCLURE. That must have been one of your range scientists. [Laughter.]

Mr. VAIL. But we have moved some studs around, Senator. It is on a really small scale. It is not a general practice.

Senator MCCLURE. I wouldn't encourage you to continue that practice, as a matter of fact, because I think you are getting into an area where you are in competition with commercial horse breeders.

Mr. VAIL. That has been the practice in the past and has been a policy, but it is on those ranges designated as wild horse ranges, and rather than have all the inbreeding and the problems that go with that we have moved some studs around; but it is a small program.

Senator MCCLURE. That also means the ones that are excess on the range are more saleable than—excuse me—strike that saleable, more adoptable.

Mr. VAIL. Yes; they may be more adoptable. But the purpose is not to make them more adoptable. The main thing is to maintain the viability of the herd on the range.

Senator MCCLURE. There's a gap, or perhaps I should say an overlap between purpose and performance, particularly if they are gelded. [Laughter.]

Mr. BURFORD. I don't think you would call it an overlap.

### PLANNED REMOVALS FOR FISCAL YEAR 1983

Senator MCCLURE. Do I read your justification correctly on page 97 that you will not remove as many excess animals in fiscal year 1983 as originally planned, due to the need for additional feed to support 1,303 animals being maintained in adoption centers?

Mr. BURFORD. Yes, sir.

Senator MCCLURE. Why then is your table on page 96 concerning removals not adjusted downward?

Mr. BURFORD. That should be adjusted downward. It may be a mistake. If it is, we will have to change that.

Senator MCCLURE. I assume it's too soon after the change in adoption fee to measure whether or not there's been any response.

Mr. BURFORD. I think there has been some additional adoption response. We don't know whether it's temporary or not.

Mr. VAIL. In just the last couple of weeks, at our adoption center in Pennsylvania, we have noticed that right along with the reduction in the adoption fee, there is an interest in moving some of the horses that we have been holding for some time. So it's just a slight indication. It's too early to really project what that might be.

### COST TO TRANSPORT ANIMALS FOR ADOPTION

Senator MCCLURE. What is the transportation cost, and how do you transport them, say, from Idaho to Lewisberry, Pa.?

Mr. VAIL. I don't have actual transportation costs for each center, but transportation is done on a contract basis. The average cost is around $75, but it is done on a contract basis.

Senator MCCLURE. I notice the fee dropped from $290 to $215, which would indicate it's about $75.

Mr. VAIL. It varies, because we have one center down in Tennessee and one in Pennsylvania; and it depends on where the animals come from, whether Wyoming or Reno, Nev.

### CHALLIS AREA WILD HORSE HERD

Senator MCCLURE. Some do not agree that excessive wild horses and burros do not compete aggressively for forage. For example, the wild horse herd in the Salmon, Idaho, BLM district—that's in the Challis area—is estimated by the Challis area manager to be nearly twice as large as the forage will allow, yet he can't proceed with a roundup until the courts act.

Mr. BURFORD. I think the court has acted in that case, Senator. They not only acted, but an agreement was reached. I think I will ask Del to spell out the details.

Mr. VAIL. I am sorry. I don't have the specifics on it, other than the court has acted on an agreement we have with the American Horse Protection Association, Inc., et al., and there is now a level that we can bring those horses down to.

Mr. BURFORD. I think it is 260 head, but I can get a copy of that agreement to you, because it did turn out in what we thought was a very favorable manner, as far as the range was concerned.

Senator MCCLURE. You would bring it down to 260?

Mr. BURFORD. That is my recollection. I will get a copy of that. There is a stipulated agreement on that.

Senator MCCLURE. Will you provide a copy of that for the record, please?

Mr. BURFORD. Yes, sir, I will.

[The information follows:]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

AMERICAN HORSE PROTECTION ASSOCIATION, INC., et al.,

Plaintiffs,

v.

JAMES G. WATT, et al.,

Defendants.

C.A. No. 76-1455

## STIPULATION OF DISMISSAL

Come now the parties to this action, by counsel, and stipulate pursuant to Rule 41(a) of the Federal Rules of Civil Procedure that this action shall be dismissed with prejudice, upon the terms and conditions set forth in the proposed Consent Judgement attached hereto as exhibit "A." The parties further stipulate that each side shall bear its own costs and attorneys fees.

Dated: February 25, 1983.

Russell

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Attorney for Defendants

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

AMERICAN HORSE PROTECTION )
ASSOCIATION, INC., et al., )
)
Plaintiffs, )
)
v. ) C.A. No. 76-1455
)
JAMES G. WATT, et al., )
)
Defendants. )

## CONSENT JUDGMENT

This cause came to be heard on the Stipulation of Dismissal signed by the parties hereto. The Court having reviewed and approved the terms of the Stipulation, it is hereby

ORDERED, that the injunction imposed pursuant to the Judgment of September 9, 1976, is hereby dissolved, upon the following terms and conditions agreed to by the parties:

1. Defendants will maintain the total number of wild horses, inclusive of adults and foals, in the Challis Planning Unit at an average management level of 260 head. The population of wild horses will be permitted to fluctuate between 185 and 340 head.

2. Defendants will be permitted to conduct gathering operations to bring and maintain the number of wild horses in the Challis Planning Unit within the terms specified in paragraph 1.

3. As to any gathering operations conducted in the Challis Planning Unit by Defendants, the parties further agree:

a. Defendants shall gather the horses in accordance with accepted humane standards, and maintain them in holding corrals under humane conditions, including provision of adequate food, water and veterinary attention. Mares with foals shall be segregated from other horses.

b. Plaintiffs shall be entitled to have representatives inspect all facilities prior to the start of any gathering operation, and to have representatives present at all gathering operations to insure that the horses are gathered and treated humanely.

c. Defendants agree that all gates to corrals and holding facilities will be masked except as necessary to insure the safety of wranglers, that if any horses are returned to the range after capture they will not be released near fences or other man-made obstructions, and that only injectable barbituates (e.g., sodium phenobarbital) administered by a trained veterinarian will be used as euthanasia agents. If it is necessary to restrain a horse in order to adminster a euthanasia agent, the horse will be restrained in a holding chute or by other physical means. However, under range conditions including the capture site, firearms may be used to put down a horse when physical restraint is not possible. Succinylcholine chloride and similar paralytic agents which do not act as sedatives cannot be used under any circumstances. For the safety of the horses and wranglers, all members of the public, except as provided in paragraph 3(b), will be kept at an adequate distance from all operations to prevent their disturbing the horses or interfering with the wranglers.

d. Defendants will arrange to have a person designated as a wild horse specialist who will be involved in the supervision of the roundup.

e. As to all wild horses gathered for which an adoption demand exists, defendants will comply with the applicable policies and procedures of the Bureau of Land Management governing the adoption of wild horses.

4. After July 1, 1986, upon either the advice and recommendation of the Challis Experimental Stewardship Program Steering Committee, or based upon monitoring evaluations, studies, and any applicable land use plans and amendments thereto, the wild horse management levels in paragraph 1 may be adjusted accordingly by defendants.

5. Plaintiffs will be permitted to designate a representative to serve on the Challis Experimental Stewardship Program Steering Committee, which has been established to give advice and make recommendations to the Bureau of Land Management and to foster an innovative approach to range rehabilitaion and management in the Challis Planning Unit.

6. The provisions stipulated to shall not prejudice or be construed as a waiver of either party's rights in any future litigation, nor shall they bind either party in any future litigation.

AND IT IS FURTHER ORDERED that this action shall be dismissed with prejudice, each side to bear its own costs and attorneys fees.

This the 28 day of February, 1983.

Charles R. Richey
UNITED STATES DISTRICT JUDGE

AGREED:

| Russell J. Gaspar | Vance Hughes |
|---|---|
| Russell J. Gaspar<br>Barrett, Hanna, Daly & Gaspar<br>Suite 100<br>2555 M Street, N.W.<br>Washington, D.C. 20037<br>(202) 293-3204 | Vance Hughes<br>Land and Natural Resources<br>Division<br>Department of Justice<br>Washington, D.C. 20530<br>(202) 724-7352 |
| Attorney for Plaintiffs | Attorney for Defendants |

### CONFLICTS BETWEEN HORSES AND OTHER GRAZING ANIMALS

Senator McCLURE. The Challis manager estimates that if the wild horse herd gets above 400 animals, serious conflicts would occur in competition between different groups of animals. As of December, newspaper reports had the wild horse and burro herd at almost 450 animals, yet BLM has budgeted only enough money to have a roundup of 100 animals, and the court agrees. And if my understanding is correct, you've got far more than 100 to round up, if you've got a stipulated level of 260 and there are 450 there.

How much would it cost to increase the roundup in critical units to the necessary level?

Mr. BURFORD. I'd have to furnish the figures to the committee, but I think the budget was originally made in anticipation of a court agreement which perhaps was not going to achieve anything that we thought the range management analysis showed it should achieve. But it is my understanding that the court went along with the Bureau's assessment.

[The information follows:]

### WILD HORSE AND BURRO ROUNDUP COSTS

The herd size in the fall of 1982 was 420 animals; we expect a population of approximately 500 animals by the summer of 1983. To bring the herd down to 185 animals (lower limit of court-approved agreement) would require the removal of 315 animals at a cost of approximately $110,000.

### RATE OF WILD HORSE REMOVALS

Senator McCLURE. In the areas where you get favorable action, is it your intention to remove the animals to a level agreed to in the court or stipulated in court? Are you going to do that this year or spread it out over several years?

Mr. BURFORD. We will probably have to spread it out over several years, but we have been moving downward on the populations for the past several years.

Senator McCLURE. Why don't we maintain the 1983 levels for another year and then accelerate the removal instead of reducing that by $500,000?

Mr. BURFORD. We do anticipate we will be able to remove that many horses by adoption.

Senator McCLURE. So it is going to be an adoption rate that controls the removal from the range?

Mr. BURFORD. In general, yes. Any time we have attempted to dispose of horses in the only way the law states we can, which is by destruction, we generally get stopped by a court order.

Senator McCLURE. Why don't we round up all of those horses and take them in and give them to the judge? Have you ever thought of that? Every once in a while, somebody has to do something dramatic. That makes sense. If the judge wants these horses, let him have them.

Mr. BURFORD. I have thought of a lot of things, Senator.

Senator McCLURE. Well, I know that you are not completely free to do what you would like, but it doesn't make any sense to me that courts can consistently frustrate the clear meaning of the law and the clear interpretation of that law in the administration of what must be done. Sometimes the courts themselves have to become more responsible. But we won't discuss that subject any more today.

Mr. BURFORD. Would you care to introduce a bill on the election of judges?

Senator McCLURE. Yes; I kind of think maybe we might turn them over to some of your range scientists and see if we can ship them a gelded judge.

Thank you. I do appreciate your testimony this afternoon, Mr. Burford.

### ADDITIONAL COMMITTEE QUESTIONS

We will submit some further questions in writing for response in writing for the record.

[The following questions were not asked at the hearing but were submitted to the Department for response subsequent to the hearing:]

## ADDITIONAL COMMITTEE QUESTIONS

### RANGE IMPROVEMENT INVESTMENT POLICY

Question: Would you highlight your range improvement investment analysis that will guide rangeland improvement funding to the most cost-effective projects.

Answer: The BLM's current rangeland improvement funding policy was issued on October 15, 1982 in BLM Instruction Memorandum No. 83-27, Final Rangeland Improvement Policy. The intent of the policy is to:

- Ensure that range betterment funds are spent for on-the-ground rangeland improvements;
- Encourage private contributions to the cost of rangeland improvements;
- Reduce the Federal Government's maintenance costs; and
- Allocate available funds according to a rational process that takes into account all benefits and costs and places improvements where they are most needed and where they will achieve the greatest benefit with the least expenditure of public funds.

The goal of the Bureau's rangeland improvement program is to improve the condition of the public lands for multiple use by investing in economically and environmentally sound rangeland improvements. The goal is achieved by:

- Ensuring that Rangeland Improvement funds are distributed among BLM State Offices and District Offices as required by Section 401 of FLPMA, PRIA, and other applicable laws;
- Encouraging rangeland users and others to participate in funding rangeland improvment work;
- Implementing an appropriate rangeland project maintenance program;
- Investing appropriated funds where they will resolve serious resource use problems and produce a positive economic return; and
- Providing a long term, rational framework through which investment decisions can be made.

### Policy Statements

1. Distribution and Use of Range Betterment Funds

   A. Range betterment funds shall be distributed to the BLM District Offices in proportion to the amount of grazing fees collected by each District;

   B. Range betterment funds shall be used for on-the-ground rehabilitation, protection, and improvement of the public lands;

   C. Range betterment funds shall not be used for maintenance of structural rangeland improvements which have a primary benefit to livestock grazing after FY 1984.

2. Private Contributions

   A. Permittees/lessees and interested parties are encouraged to contribute labor, materials, equipment, and/or cash toward installation, modification, and maintenance of rangeland improvements.

B. BLM shall provide incentives to encourage contributions by:

(1) Using either a cooperative agreement or rangeland improvement permit to provide protection to the private investment made;

(2) Assigning a higher ranking to those funded by private contribution when scheduling projects of equal economic return;

(3) Setting aside range betterment funds to match private funds in consultation with district grazing advisory boards;

(4) Allocating increases in permanently available forage for livestock use to permittees/lessees in proportion to their contributions which resulted in the increased forage;

(5) Identifying pledged or accepted contributions with a specific project or management plan with priority given to improvements constructed under cooperative agreements;

(6) Permitting rangeland improvements funded entirely by contributions under the authority of Section 4 of the Taylor Grazing Act; and

(7) Requiring contributions only to obtain equitable support from permittees/lessees in group allotments where the majority supports contributions.

3. Maintenance of Structural Improvements

A. Parties deriving the primary benefit(s) from a structural improvement shall be responsible for maintaining that improvement. Primary benefits constitute more than 50 percent. When no party derives more than 50 percent, maintenance will be negotiated on a proportionate share;

B. Operator maintenance responsibility will be a condition of the lease or permit on structural improvements primarily benefiting livestock;

C. Where existing cooperative agreements cannot be renegotiated voluntarily, the primary beneficiary of an improvement shall be assigned maintenance responsibility by decision;

D. Failure to maintain an assigned project may result in withholding annual authorization, cancellation of a cooperative agreement or rangeland improvement permit, and/or cancellation of the permit or lease;

E. The owner of an improvement shall be responsible for reconstruction or repairing acts of vandalism;

F. Modification costs shall be the responsibility of the requesting party; and

G. BLM will continue to maintain nonstructural-type improvements constructed with Federal funds and those structural improvements which are primarily for the benefit of uses other than livestock grazing or in cases of structural improvements benefiting a specific non-grazing case, encourage contributions toward such maintenance from interested organizations, such as sportsmen's groups, who receive some benefits from the improvement.

## 4. Rangeland Investment Policies and Framework

A. Appropriated funds shall be allocated:

(1) First to maintenance of projects for which BLM has responsibility;

(2) Second to design, construction, and maintenance of new projects that conform to a specific development plan (Allotment Management Plan, Herd Management Plan, Herd Area Management Plan);

(3) Usual priority will be first to allotments in the "Improve (I)" Category, second to "Maintain (M)" Category, and third to "Custodial (C)" Category;

(4) Exceptions

(1) A critical or unique resource value is subject to imminent destruction;

(2) Benefit/cost analysis must be completed prior to expenditure of funds;

(3) Construction or reconstruction will protect and/or substantially improve forage, habitat and watershed values by better distribution of livestock or wildlife and if an investment analysis yields a favorable B/C ratio.

B. All improvements must be compatible with multiple-use objectives. Investments shall be allocated first to highest ranked allotments. The annual work plan's highest priority will be given to improvements funded entirely by contribution and, next, to those funded partially by contribution.

C. Once implementation of approved management plans has begun, a mutual commitment exists between the operator and BLM to complete implementation.

## 5. Investment Analyses and Ranking Process

A. The enclosed chart displays the investment analysis and ranking process. Each of the steps is briefly described following the chart. A description of the allotment category criteria is also enclosed.

B. Investment decisions are based on the results of three component analyses:

(1) Component 1 provides a rough estimate of an allotment's economic and resource potential;

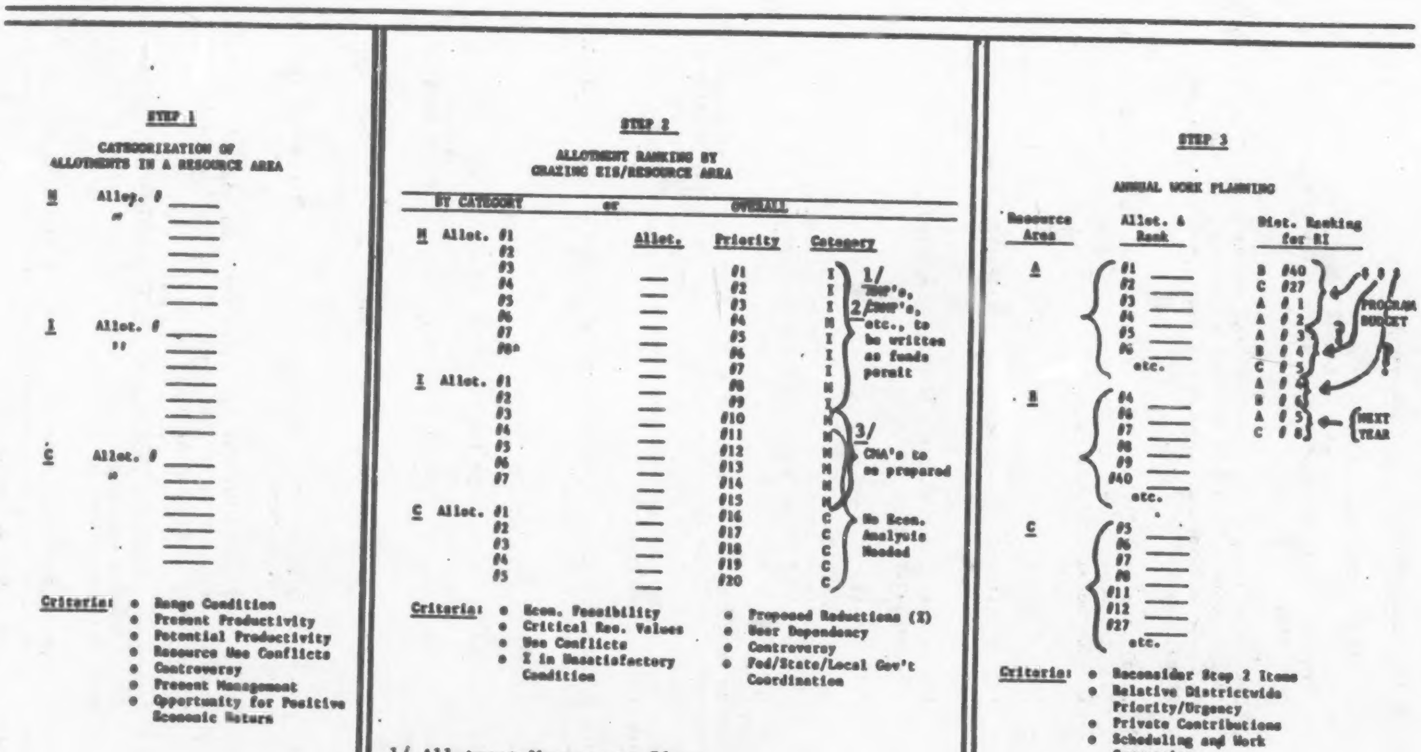
(2) Component 2 estimates the B/C ratio for a package of investments proposed for an allotment or area and must be completed prior to issuance of a final land-use plan.

(3) Component 3 includes the determination of final B/C ratios for completed management plans and the development of annual work plan investment priorities.

C. Field managers record the information and calculations used to evaluate, rank and budget implementation. These documents are retained in the local BLM office files.

D. Decisionmaking authority for project investments has been delegated to the BLM District and Area Manager levels. At these levels, decisions are made using the criteria and in consultation with individual operators and district grazing advisory boards.

# SUMMARY OF THE RANGELAND INVESTMENT ANALYSIS AND RANKING PROCESS



## STEP 1

### CATEGORIZATION OF ALLOTMENTS IN A RESOURCE AREA

M Allot. # ______
" ______
______
______
______
______
______

I Allot. # ______
" ______
______
______
______
______
______

C Allot. # ______
" ______
______
______
______
______
______

Criteria:
- Range Condition
- Present Productivity
- Potential Productivity
- Resource Use Conflicts
- Controversy
- Present Management
- Opportunity for Positive Economic Return

## STEP 2

### ALLOTMENT RANKING BY GRAZING EIS/RESOURCE AREA

BY CATEGORY or OVERALL

M Allot. #1
#2
#3
#4
#5
#6
#7
#8°

I Allot. #1
#2
#3
#4
#5
#6
#7

C Allot. #1
#2
#3
#4
#5

| Allot. | Priority | Category |
|---|---|---|
| ____ | #1 | I |
| ____ | #2 | I |
| ____ | #3 | I |
| ____ | #4 | M |
| ____ | #5 | I |
| ____ | #6 | I |
| ____ | #7 | I |
| ____ | #8 | M |
| ____ | #9 | I |
| ____ | #10 | M |
| ____ | #11 | M |
| ____ | #12 | M |
| ____ | #13 | M |
| ____ | #14 | M |
| ____ | #15 | M |
| ____ | #16 | C |
| ____ | #17 | C |
| ____ | #18 | C |
| ____ | #19 | C |
| ____ | #20 | C |

1/ AMP's, 2/ CRMP's, etc., to be written as funds permit

3/ CMA's to be prepared

No Econ. Analysis Needed

Criteria:
- Econ. Feasibility
- Critical Res. Values
- Use Conflicts
- % in Unsatisfactory Condition
- Proposed Reductions (%)
- User Dependency
- Controversy
- Fed/State/Local Gov't Coordination

## STEP 3

### ANNUAL WORK PLANNING

| Resource Area | Allot. & Rank | Dist. Ranking for RI |
|---|---|---|
| A | #1 ____<br>#2 ____<br>#3 ____<br>#4 ____<br>#5 ____<br>#6 ____<br>etc. | B #40<br>C #27<br>A # 1<br>A # 2<br>A # 3<br>B # 4<br>C # 5<br>A # 4<br>B # 6<br>A # 5<br>C # 8 |
| B | #4 ____<br>#6 ____<br>#7 ____<br>#8 ____<br>#9 ____<br>#40 ____<br>etc. | |
| C | #5 ____<br>#6 ____<br>#7 ____<br>#8 ____<br>#11 ____<br>#12 ____<br>#27 ____<br>etc. | |

Criteria:
- Reconsider Step 2 Items
- Relative Districtwide Priority/Urgency
- Private Contributions
- Scheduling and Work Sequencing
- DGAB Input

---

1/ Allotment Management Plans
2/ Coordinated Resource Management Plans
3/ Cooperative Management Agreements

### Component/Step #1: Categorization

Involves identifying and grouping allotments or areas having similar resource characteristics, management needs, and resource and economic potential for improvement. The grouping of allotments into the three categories provides a consistent basis for further analysis and the eventual assignment of management priorities within each Resource (planning) Area.

### Component/Step #2: Allotment Ranking

The purpose of this step is to help managers integrate economic, resource and social criteria in order to rank order allotments for the scheduling of range improvements, the kind and intensity of supervision and monitoring, for gathering any needed inventory data, preparation of allotment management plans, and determination of where cooperative management agreements should be implemented, as well as other appropriate implementing actions within each Resource Area.

### Component/Step #3: Annual Work Planning

The purpose here is to ensure that annual work plans incorporate the priorities assigned during the land-use planning decision process and also reflect the more detailed or site-specific analyses of final activity plans. Development of annual priorities for range improvement projects also provides managers with the opportunity to adjust longer-run area priorities if private contributions have been offered/received, and to ensure that funds are programmed to conduct any needed analyses, clearances, or compliance activities that are not covered by the contributed funds.

Economic and resource evaluations based on this more detailed and site-specific analysis will ensure that earlier planning estimates are refined to reflect actual "on-the-ground" conditions, that funds expended represent the best cost means of achieving realistic allotment objectives and that managers are provided an opportunity to take advantage of scheduling and contracting efficiencies by grouping projects.

This multi-component procedure for categorizing, ranking and constructing range improvements is based on the concept that successively more detailed information can be used to screen and evaluate range improvement proposals, and that by screening out unfeasible proposals early in the process, the more time-consuming analysis is focused on the highest priority allotments where the potential for rangeland resource improvement and a positive return on funds invested are greatest.

The following criteria pertain to the three identified categories, although allotments within each category will not have to meet all the criteria to be managed according to the category objectives:

Maintain Category Criteria

- Present range condition is satisfactory.
- Allotments have moderate or high resource production potential, and are producing near their potential (or trend is moving in that direction).
- No serious resource-use conflicts/controversy exists.
- Opportunities may exist for positive economic return from public investments.
- Present management appears satisfactory.
- Other criteria appropriate to EIS area.

Improve Category Criteria

- Present range condition is unsatisfactory.
- Allotments have moderate to high resource production potential and are producing at low to moderate levels.
- Serious resource-use conflicts/controversy exists.
- Opportunities exist for positive economic return from public investments.

- Present management appears unsatisfactory.
- Other criteria appropriate to EIS area.

Custodial Category Criteria

- Present range condition is not a factor.
- Allotments have low resource production potential and are producing near their potential.
- Limited resource-use conflicts/controversy may exist.
- Opportunities for positive economic return on public investment do not exist or are constrained by technological or economic factors.
- Present management appears satisfactory or is the only logical practice under existing resource conditions.
- Other criteria appropriate to EIS area.

## MINERAL SURVEYS IN WILDERNESS STUDY AREAS

Question: Expand on the Forest Service RARE II funding techniques versus BLM.

Answer: The FY 1984 BLM proposal to provide direct funding to U.S. Geological Survey (GS) and Bureau of Mines (BM) will make funding for BLM's mineral surveys consistent with the method that has been used by the Forest Service (FS) since the mid-1960's.

This system has been very effective. The FS sets the priorities for the mineral surveys and determines when they are needed. The GS and BM complete the surveys using their direct funding.

## MERGER OF FORMER MMS ONSHORE MINERALS MANAGEMENT RESPONSIBILITIES

Question: Probably the major change proposed by BLM this year is the transfer of $35,029,000 from the Minerals Management Service to BLM, to reflect the shift of responsibilities between BLM and MMS for onshore mineral leasing activities and royalty management functions. This consolidation of responsibility for pre and post leasing activities in BLM makes good sense to me. The Secretarial order effecting the changes was dated December 3, 1982. What has been the response to date from this change? What portion of the $35 million and 782 FTE (p. 30) transferred from MMS was in the USGS before being transferred to MMS?

Answer: Although there has been no comprehensive effort to collect the responses of industry and the public to the merger of former MMS onshore minerals management functions with the existing BLM minerals organization, this consolidation is expected to enhance service to both industry and the public by combining within one Bureau the responsibility for all pre-lease and post-lease minerals management activities on the public lands managed by BLM, including leasing, permits, classification of energy resources, inspections and enforcement, and compliance and by integrating multiple-use land management planning for both surface and subsurface resources.

BLM has begun the process of implementing the consolidation of functions. New energy and mineral resources organizational structures have been approved for both BLM field and headquarters offices, and the transfer of former MMS onshore minerals management personnel, property and budget authorities to BLM occurred on April 3, 1983. Within this transfer, the funding and FTE workyears required for BLM to operate the former MMS activities through the end of FY 1983 were also provided to BLM. Implementation of the merger at this time will permit BLM to absorb and efficiently utilize the requested FY 1984 budget levels for energy and minerals management.

The $35 million and 782 FTE identified for transfer of minerals management functions to BLM from the MMS Federal and Indian Lands Activity were originally transferred to MMS from GS.

Question: What do you foresee as the major new responsibility associated with the onshore minerals functions transferred from MMS? Would it be the inspection and enforcement function? How many FTE will be devoted to inspection and enforcement activities in FY 1984? How much was available during each of the past 5 years?

Answer: All of the onshore minerals functions transferred from MMS to BLM, including resource evaluation, supervision of operations and inspection and enforcement, represent major new responsibilities for BLM.

Approximately 100 FTE will be devoted to field inspection and enforcement in FY 1984, nearly double the number devoted to this function during the previous 4 years. It is anticipated that this level of commitment will remain relatively constant in the near future in response to the new authority and responsibilities cited in the Federal Oil and Gas Royalty Management Act of 1982.

## OIL AND GAS PROGRAM

Question: Please distribute for the record the FY 1984 request for oil and gas of $37,267,000 by major function (lease processing; automation expenses; process assignments; Federal lands classification; supervision of on-site operations; check production; etc.) and compare these funding levels to FY 80 - FY 83.

Answer: Comparative statistics are available for FY 1982 to 1984. In prior years, different workload measures were used.

($000)

| Program Functions | FY 1982 | FY 1983 | FY 1984 |
|---|---|---|---|
| Automation of Case Records (ALMRS) | 137 | 1,304 | --- |
| Lease Processing | 8,125 | 7,097 | 6,259 |
| Assignment Processing | 1,446 | 2,409 | 1,338 |
| Processing of Applications for Permits to Drill | 1,558 | 1,837 | 1,412 |
| Environmental Analysis | 1,994 | 1,619 | 1,164 |
| Compliance | 3,785 | 4,391 | 3,262 |
| Inventories | 814 | 1,088 | 511 |
| Operations Supervision (including Inspections) | 22,547 1/ | 13,911 | 21,653 |
| Resource Evaluation | | 1,771 | 1,188 |
| NPR-A Evaluation | | 1,926 | 480 |
| Total: BLM | 17,859 | 19,745 | 37,267 |
| MMS | 22,547 | 17,608 | |
| | 40,406 | 37,353 | |

---

1/ Funded in the Conservation Division of USGS. Includes proportional share of common program services which is excluded in figures for FY 1983 and FY 1984. Royalty management functions are also included in FY 1982, but excluded in FY 1983 and FY 1984 since these functions were retained by MMS in the BLM/MMS merger.

Question: On February 17, 1983, BLM issued a press release stating that "it had reduced a long-standing backlog of applications for oil and gas leases from 13,400 in January 1982 to less than two dozen." According to your justifications (p. 39), you had 34,000 backlogged applications as of November, 1981. How did you reduce the number of applications backlogged from 34,000 in November, 1981 to 13,400 in January, 1982 to 21 on February 17, 1983? On the bottom of p. 38, you list a number of "program improvements" that, I believe, would have the effect of moving the application through the review process. Is this how the backlog reduction was effected? For the backlog as of November, 1981, would you provide for the record the number eliminated from the backlog with a description of the action taken?

Answer: A number of program improvements and management actions contributed to the reduction of the backlog including:

- implementing categorical exclusions to fulfill the requirements of the National Environmental Policy Act for individual pre-lease environmental assessments;
- eliminating adjudication of corporate qualification statements for each lease issued and substituting random sampling to ensure compliance with the law;
- eliminating the need for pre-lease structural clearance review for applications in most areas with no known geologic structures;
- in some cases, completing environmental assessments before drilling, rather than before leasing;
- use of personnel from other programs (such as lands adjudication); and
- detailing adjudication personnel from states with little or no backlog to states with larger backlogs.

The following table provides the number of oil and gas lease applications backlogged in November 1981, January 1982, and February 1983:

| | |
|---|---|
| November 1981 | |
| Total applications on file | 34,000 1/ |
| January 1982 | |
| Total applications on file | 43,000 |
| Applications considered current (on file for less than six months) | -16,000 |
| Total backlogged applications | 26,600 |
| Backlogged applications awaiting action by agencies other than BLM | -13,200 |
| Total BLM backlog | 13,400 |
| February 1983 | |
| Total applications on file | 21,508 |
| Total BLM backlog | 21 |

1/ Page 39 states that "the backlog has increased steadily;" but the 34,000 refers to the number of pending oil and gas lease applications. The number of backlogged applications on BLM lands, alone, was first calculated in January 1982.

Question: Why are oil and gas inventory acres down 56% from FY 83 to FY 84 (p. 43)?

Answer: The number of acres inventoried in support of the oil and gas program varies from fiscal year to fiscal year. Variations are the result of many factors including the number of environmental assessments requiring updates, land use planning activities, and projected oil and gas exploration. The FY 1983 oil and gas program was funded to facilitate accelerated leasing. This required the scheduling of a greater than usual inventory workload to complete the highest priority inventories. In FY 1984 the inventory workload reflects a level of accomplishment closer to normal.

Question: Provide further justification for the record for each of the four activities being redirected in FY 84 to make up part of the needed program funds (p. 42), especially the NPR-A item and the Section 1001 of ANILCA item.

Answer: Of the $4,071,000 and 42 FTE increase proposed for regulation of operations, $3,360,000 will be redirected from the following other activities in the oil and gas program.

The reduction of $800,000 from Resource Evaluation, used in FY 1983 for ANILCA Section 1001 implementation, was made possible because data collection will be completed in FY 1983.

Likewise, the level of activity in NPR-A during FY 1984 is $1.5 million lower than in FY 1983 because most of the information collection activities required prior to the initial lease sales are complete. It is anticipated that data collection will be greatest through 1983 and that reductions will take place in FY 1984.

The $600,000 reduction being requested as a result of program economies is derived primarily from centralizing operations of the simultaneous oil and gas leasing program in Wyoming; eliminating adjudication of corporate qualification statements for each lease issued and substituting random sampling to ensure compliance with the law; eliminating the need for pre-lease structural clearance review for applications in most areas with no known geologic structures; in some cases completing EA's before drilling rather than before leasing; and use of categorical exclusions to fulfill National Environmental Policy Act requirements.

The level of inventory and GEM activities varies between fiscal years. The FY 1984 need is more limited than in FY 1983 allowing redirection of funding to higher program needs. A reduction of $460,000 will be realized.

## REGIONAL COAL TEAMS

Question: Provide a description of the functions and operations of the regional coal teams.

Answer: The regional coal teams (RCT's) operate under the Federal Advisory Committee Act. There is a regional coal team for each identified Federal coal region in which sales are planned. The team consists of representatives of the BLM, the Governor of the State(s) in the coal region, and representatives of each Federal and State agency involved. RCT meetings are open to the public, and opportunity is provided for public comment before the RCT's make their recommendations.

For areas under consideration for potential coal leasing within the coal region, the regional coal teams: (1) guide the delineation of specific tracts of coal-bearing lands to be considered and the preparation of site-specific analyses of both the mineral and surface resources of the delineated tracts, including the review of the application of unsuitability criteria to the potential tracts in the land-use plan or the Resource Management Plan (RMP); (2) identify alternative coal leasing levels and recommend a preferred leasing level to the Secretary for each round of sales to be held; (3) rank the delineated tracts in priority order, select tracts that meet the leasing level established by the Secretary, identify alternative tract combinations to be analyzed in the regional lease sale environmental impact statement and identify the preferred alternative for the EIS; (4) guide the preparation of the regional lease sale environmental impact statement; (5) recommend a regional coal lease sale schedule to the Director; (6) review the proposed schedule for reoffering those delineated tracts previously offered but not sold; (7) request the Secretary to initiate lease exchange procedures under 43 CFR Subpart 3435; and (8) serve as the forum for Department and State consultation and cooperation in all other major Department coal management program decisions in the regions, including preference right lease applications, public body and small business set-aside leasing, emergency leasing, and coal lease exchanges.

COAL PROGRAM

Question: Provide a description of the workload items listed on p. 48 of the Justifications.

Answer: A description of each workload measure follows:

Activity Plans -- In the regional coal lease sale process, activity planning is an 18 to 24 month detailed tract analysis process that takes place after land-use planning. Activity planning includes (1) the delineation and site-specific analysis of potential lease tracts, (2) tract ranking, selection, and scheduling by the Federal-State regional coal team (RCT), (3) a regional EIS process that analyzes the potential lease tracts and the effects of leasing associated with those tracts, and (4) a decision by the Secretary concerning the tracts to be offered for lease.

Preference Right Lease Applications (PRLA's) -- These applications are the result of a now repealed prospecting permit system that allowed exploration for coal in areas where workable deposits were not known to exist. If coal in commercial quantities was discovered, the permittee was allowed to file an application to receive a noncompetitive lease for the permit area on a preference basis. Processing requirements include (1) determining the adequacy of the initial showing that coal was discovered in commercial quantities, (2) preparing an environmental assessment that includes application of the unsuitability criteria, (3) holding a public hearing, (4) determining the adequacy of the final showing that coal could be produced economically, and (5) developing lease stipulations and issuing the lease. All pending PRLA's are to be processed by December 1, 1984.

Lease Readjustments -- According to law, coal leases are subject to readjustment after the term of the original lease (20 years) and every 10 years thereafter. Readjusting the lease terms generally applies to the updating of rental and royalty rates. Several adjudicative steps are involved in readjusting coal leases, including notification of the lessee of the intent to adjust the lease terms and providing the adjusted lease terms and conditions to the applicant within 2 years of the notice of intent.

Management Framework Plan (MFP) Amendments -- According to the Bureau's planning regulations, changes to an existing MFP must be made under the amendment process until such time as a newer-type Resource Management Plan (RMP) supersedes the existing MFP for the area. An MFP amendment is triggered by the need to address a proposed action or actions not originally addressed or not addressed in sufficient detail in the MFP. The process requires an environmental assessment, public involvement, and interagency coordination.

Land-Use Planning Studies -- In the leasing process, certain situations may arise that require special studies outside of the specified inventory analysis steps (e.g., special concerns relating to unsuitability determinations).

Inventory -- For purposes of the coal program, an inventory is categorized as either a land-use planning or activity planning inventory. The objectives of land-use planning inventories are to facilitate the application of the unsuitability criteria and to determine coal occurrence, quantity, and ownership. Activity planning inventories are needed to provide data to delineate tracts and to provide the additional mineral and surface resource detail necessary for site-specific analyses of those tracts.

Geology, energy and minerals (GEM) -- GEM assessments are interpretations of existing minerals data to determine the presence and extent of coal and other mineral resources. Literature surveys, followed by some on-the-ground investigations if existing data are inadequate, are the basis for these assessments. GEM assessments are used primarily in support of BLM's land use planning decisionmaking. They have proven to be a cost-effective approach to mineral assessment for the vast acreage of mineral resources administered by the Federal government when compared with more intensive exploration techniques.

Lease Applications -- Coal lease applications are accepted and processed under the following conditions: (1) the coal deposits under application are outside a designated Federal coal production region or within an Eastern coal production region where activity planning will not take place; and (2) there is an emergency need for the coal (production maintenance and bypass situations). Applications listed in the Natural Resources Defense Council v. Hughes amended court order are also being processed. The application area must be a part of a land use plan or analysis that includes: application of the unsuitability criteria, an environmental assessment, and consultation with the Governor and other agencies. Surface owner consent must be obtained (if applicable), and a competitive sale must be held prior to lease issuance.

Exploration Licenses -- An exploration license allows the licensed private party(ies), singularly or jointly, to explore Federal coal deposits in order to collect pertinent data concerning those deposits. Interagency coordination and preparation of an environmental assessment are required.

Trespass Investigations -- Where it is suspected that Federal coal has been illegally removed, the Bureau is required to investigate the situation and take actions to settle it. The Bureau's trespass investigations include use of aerial photographs, maps, and other data sources; on-site investigations; and interagency coordination with other Federal agencies, the Interior Department's Regional Solicitors, and U.S. Attorneys.

Site-Specific Environmental Assessments (EA's) -- The coal regulations require EA's to be prepared generally on a site-specific basis, for the following actions: (1) coal lease applications, (2) PRLA's, (3) lease modifications, (4) lease exchanges, (5) lease adjustments, (6) MFP amendments, and (7) exploration licenses.

Site-Specific EIS's -- When the findings of a site-specific EA show that the proposed action would significantly affect the quality of the human environment, a site-specific EIS must be prepared before a decision on the proposed action can be made. These actions may include (1) coal lease applications, (2) PRLA's (3) modifications, (4) exchanges, (5) MFP amendments, and (6) exploration licenses.

Technical Investigations -- Formerly called the Energy Minerals Rehabilitation Inventory and Analysis Program (EMRIA), technical investigation, as now titled, is the general term used for hydrologic, overburden, and soils/revegetation studies. Under a policy change initiated in 1981, overburden and soils/revegetation studies are now the responsibility of the lessee. Hydrologic studies are necessary for pre-lease decisions and are still the responsibility of the BLM. The soils/revegetation and overburden studies in process at the time of the policy change will be completed and, along with the hydrologic studies, are to be used for preparing EIS's, EA's, tract delineations, tract ranking, lease stipulations, and post-mining land-use determination.

Lease Assignments -- A lease assignment is a transfer, in whole or in part, of a Federal coal lease. An assignment can be made to any person, association, or corporation qualified to hold a Federal coal lease except, in cases of small business and public body lessees, leases can only be assigned to like entities (i.e., small business to small business and public body to public body). Processing of a lease assignment includes adjudicating the financial terms of the assignment and antitrust review by the Department of Justice as well as changing Bureau records for ownership, billing and status purposes.

Negotiated Sales -- The 1978 amendments to the Mineral Leasing Act provided authorization for the Secretary to negotiate a sale of Federal coal, at fair market value, the removal of which is necessary and incidental to the exercise of a right-of-way permit issued pursuant to Title V of the Federal Land Policy and Management Act of 1976. This requires resource determination and adjudication to complete the transaction.

Lease Modifications -- An existing Federal coal lease can be modified noncompetitively to include additional Federal coal that either corners or is contiguous to the existing lease. The government must receive fair market value for the additional coal, and it must be determined that there is no competitive interest in that coal. A royalty rate determination and other adjudicative actions are now required along with an environmental analysis.

Coal Lease Exchanges -- Where the Secretary determines that coal exploration, development, and mining operations on an existing lease or PRLA would not be in the public interest or when Congress has specifically authorized a lease exchange, an existing lease or PRLA may be relinquished in exchange for (1) leases where the Congress has specifically authorized the issuance of a new coal lease, (2) coal lease bidding rights of equal value, (3) a mineral lease other than coal, (4) Federal coal lease modifications, or (5) any combination of the above. Each exchange proposal includes an evaluation of the offered and selected lands to determine fair market value, an environmental assessment (and, in some cases, an EIS), and adjudicative work.

Unsuitability Petitions -- Section 522(c) of the Surface Mining Control and Reclamation Act (SMCRA) established a process that enables the public to file a petition with the Office of Surface Mining (OSM) to designate or terminate a designation of Federal lands as unsuitable for surface coal mining operations. Each valid petition is referred to the BLM for review, possible field examination, and a written recommendation. In cases where an EIS is required, the BLM provides support to that effort. If the petition area has already been through the Federal land review process, the BLM must make a recommendation on the petition within 30 days of receipt; if not, the BLM has nine months in which to make a recommendation.

Conveyance -- Transfer of title to mineral ownership from the Federal Government to the private surface owner. Certain types of conveyances are authorized by Section 209 of FLPMA.

Tracts Evaluated for Leasing by Application -- Determination that applied for land is not within known leasing or producing areas.

Tracts Evaluated for Regional Leasing -- Lands in known leasing or producing areas which may be offered for lease sale by the Federal Government or Indian tribe are subjected to a fair market value determination.

Diligent Development/Continued Operations -- The regular monitoring by field personnel of a producing coal lease for production and financial responsibilities (advance royalties).

Inspections -- Field personnel make a physical review of proposed or ongoing activities by the lessee or operator on the leasehold of a Federal or Indian lease, including but not limited to, compliance with the lease terms and conditions of approval, verification of production, establishment and maintenance of site security requirements on the lease, review of environmental and safety conditions on a lease, the review of efforts taken by the lessee or operator to maintain the lease sites in a proper and organized manner, and review of a lease prior to considering applications by the lessee or operator for a lease or plan modification.

Mining Plan Reviews -- Federal coal lessees must submit a mine plan for review and approval before a permit to mine can be issued. In split-estate situations, the BLM only reviews the permit application to determine whether or not the application complies with the lease stipulations. Where BLM manages both the surface estate and the coal, the Bureau reviews the application to ensure that the land will be returned to some suitable use as well as ensuring compliance with the lease stipulations.

Question: Are your FY 83 sales on schedule?

Answer: The current regional coal lease sale schedule calls for one FY 1983 sale in the Fort Union Coal Region during July 1983. All actions and procedures supporting this sale are currently on schedule.

Question: Provide a copy of the GAO Report on Powder River Fair Market Value.

Answer: The GAO has not published a report on this subject as of this time. The schedule for publication is unknown; however, a copy of this report will be provided when available.

Question: For each of the reductions proposed on p. 49, provide a more detailed justification as to why these reductions should be made.

Answer: For FY 1984, BLM is proposing a funding decrease of $6,650,000 for the Coal Program. The details of each part of this decrease are as follows:

PRLA Processing - Processing of all PRLA's must be completed by December 1, 1984. To meet this schedule, the Bureau will process 69 PRLA's in FY 1984. This is 11 fewer units than were processed in FY 1983. Using an average cost of $32,000 per PRLA, FY 1984 savings are estimated at $350,000.

Land Use Planning Studies - These studies are used to supplement the Bureau's resource management planning process. They provide data on topics other than minerals and often are designed to comply with legal requirements such as the National Historic Preservation Act. Land use planning studies also are used to collect data on socio-economic impacts and air and water quality. The proposed reduction of seven studies for FY 1984 represents a reduced coal lease sale schedule in FY 1985. Further reductions are anticipated because Departmental policy now requires the lessee to provide data necessary to comply with the National Historic Preservation Act. For these two reasons, the Bureau estimates the resulting savings at $550,000.

Site-Specific EIS's - The need for site-specific EIS's is determined by the completion of an environmental analysis (EA). If the EA results in a determination that the proposed activity could have a significant adverse effect on the environment, a site-specific EIS is required. In order to anticipate the need for a certain number of EIS's and not forego a leasing opportunity due to lack of funds, funding for an "estimated" number of EIS's is requested annually. For example, in FY 1982 we estimated the need for two site-specific EIS's while only one was required. On the basis of past experience, the assumption that two fewer EIS's will be required in FY 1984 is not expected to affect lease schedules. At an estimated average cost of $540,000 per EIS, a $1,080,000 savings will be realized.

Inventories and Geology, Energy and Minerals (GEM) Assessments - GEM studies are designed to produce coordinated mineral assessments which will replace the current approach of preparing single mineral inventories. The emphasis of these studies will be on using existing data and concentrating the inventories on areas with high potential for coal development. By concentrating inventory work, about 386,000 acres of GEM inventories can be eliminated. The Bureau's planning system, through a process known as "scoping," identifies key land management issues prior to data collection. Because the planning system will identify inventory needs, data collection can be concentrated in specific areas. An additional 700,000 acres of non-mineral inventory work that would have been paid for by the coal program can be eliminated. Total savings for inventories and GEM assessments combined amount to an estimated $634,000.

Technical Investigations - These are studies describing the relationship between coal leasing decisions and hydrology, overburden, soil, and revegetation. Under a policy change initiated in FY 1981, overburden, soil, and revegetation studies are now the responsibility of the lessee, although studies underway will be completed with Federal funding. Hydrologic studies are necessary for decisions prior to leasing. Under a reduced schedule for leasing in FY 1985, fewer studies will be required in FY 1984, thus allowing the Bureau to reduce funding needs by $762,000.

Coal Resource Evaluations - A reduction in coal resource evaluation activities is made possible through the implementation of improved pre-lease evaluation procedures, reduced staffing needs, and reliance upon existing data. The focus of these modified procedures is to achieve evaluation efficiencies while emphasizing competition to establish interest levels for coal development. Previous methodology involved work-intensive and time consuming processes to evaluate the coal resource on a tract-by-tract basis. The $2,904,000 decrease will be realized through reduced staffing and support requirements, from savings in printing and reproduction costs, ADP services previously necessary for tract-by-tract evaluation, and costs of data acquisition for numerous tract-by-tract evaluations. Much of the drilling data required for economic evaluations can be obtained from industry. Efforts are currently underway to automate data on Federal coal characteristics. This information, in a computerized format, will include the coal thickness, overburden, and location of drill holes. This automated data base will be capable of constructing maps using all available data on tracts being evaluated for lease or exchange. Computer generated maps can be revised rapidly to incorporate changes required by the addition of new data or to reflect reinterpretation.

Regulation of Operations - Although some increase in workload associated with the regulation of operations (such as inspections) is expected, regulatory revisions and operational efficiencies will reduce workload unit costs. These factors are expected to result in a net savings amounting to $370,000 in FY 1984.

## OIL SHALE - PERMANENT PROGRAM

Question: For the oil shale/tar sands program, does BLM intend to proceed with the establishment of a permanent oil shale leasing program in FY 1984? FY 1985?

Answer: Yes. BLM intends to have a long-term, competitive oil shale program in place by the end of FY 1984, so that leasing can commence in FY 1985, if, and only if, necessary.

Question: Is there further legislation needed in order to authorize such a program? If so, what?

Answer: No, Section 21 of the Mineral Leasing Act of 1920 states, "The Secretary of the Interior is hereby authorized to lease . . . oil shale . . . under such rules and regulations, not inconsistent with this chapter, as he may prescribe." The permanent program is being proposed under this authority, as well as the land-use planning authority under the Federal Land Policy and Management Act and the environmental impact analysis requirements of the National Environmental Policy Act. In the event that any of the pending oil shale bills becomes law, the Bureau would adjust existing regulations, land-use planning, and decision processes to comply with them.

Question: How much of your FY 1984 request is to support actions necessary to hold the permanent oil shale program lease sale in October, 1984 (FY 85)?

Answer: The FY 1984 oil shale program is budgeted to finalize steps in preparation for one potential permanent oil shale lease sale in early FY 1985. BLM's planning program targets funds for carrying out the required Resource Management Plans (RMP's) which support the Bureau's leasing efforts; however, the oil shale program is budgeted to contribute directly to the Bookcliffs RMP in Utah and the Piceance Basin RMP in Colorado in the amounts of $45,000 and $473,000, respectively. This $518,000 is the total amount wholely identifiable as FY 1984 funding which directly supports the permanent oil shale leasing program.

Question: How will you hold a permanent oil shale lease sale in October, 1984 (which is the first month of FY 1985) if you eliminate funds from your FY 1984 budget (p. 57) for such activities as development of regulations and development of the programmatic EIS? Were these activities completed in FY 1983 or earlier?

Answer: Any permanent oil shale lease sale held in FY 1985 or beyond would be based on analysis and decisions made in Resource Management Plans (RMP's). Two RMP's (Bookcliffs in Utah and Piceance Basin in Colorado) needed to implement the oil shale leasing program are already underway and scheduled for completion in FY 1984. Funding to prepare regulations and a programmatic EIS is not requested for FY 1984 because both of these items are scheduled for completion in FY 1983.

## ALASKA LAND CONVEYANCES

Question: Why is the Alaska land conveyance program slowing down (p. 84)? Decisions to issue Native conveyances is down from 4.5 million acres in FY 83 to 2.0 million acres in FY 84; interim native conveyances and patents are down from 4.5 million acres in FY 83 to 4.0 million acres in FY 1984; tentative approvals for State patents is down from 11.0 million acres in FY 83 to 10.0 million acres in FY 84. Only State patents are up from FY 83 to FY 84, from 2.0 million acres to 3.0 million acres. Can you accelerate or at least maintain the conveyance schedule?

Answer: The number of conveyances and tentative approvals for State patents in FY 1984 is declining from the FY 1983 level as BLM begins to tackle the more complex conveyance cases. The Alaska Department of Natural Resources has requested that BLM process cases which the State has determined to be of higher priority. The State has formally agreed to the conveyance of lesser acreage so that BLM can concentrate on the more costly and time-consuming cases. Accelerating or maintaining the conveyance schedule would preclude BLM from directing its resources to the higher priority conveyances as requested by the State.

## ASSET MANAGEMENT

Question: Planning is proposed for an increase of $3,100,000 (+35%) over the FY 84 base, and is justified by a large increase in the number of Management Framework Plan amendments (p. 136). Are most of these related to the land disposal process? If so, we will try and review the Bureau's Asset Management Program, and related support costs, at the April 27 hearing.

Answer: All of the additional Management Framework Plan amendments are related to the land disposal process.

Question: In the meantime, would you please prepare a table showing ALL costs related to the Asset Management Program?

Answer: The following table provides the requested information:

| Activity/Subactivity | Amount ($ mil) |
|---|---|
| Mining Law Administration | $1.5 |
| Nonenergy Realty | 6.5 |
| Cultural Resources Management | 2.5 |
| Planning | 4.0 |
| General Administration - indirect support | 2.5 |
| - contract administration | 1.0 |
| Total | $18.0 |

## DATA MANAGEMENT

Question: Please provide for the record a detailed summary of the data management increase requested, with a timeline indicating when various functions will be completed.

Answer: The FY 1984 Estimate represents an increase of $1,123,000 and 7 FTE-T over the FY 1983 appropriation. Of this increase, $201,000 is required to cover personnel-related costs associated with the Automated Lands and Minerals Records System (ALMRS) Phase II development at the Denver Service Center. The remaining $922,000 is for equipment including terminals, printers, and minicomputer upgrade and telecommunications requirements in New Mexico and Arizona that are also associated with ALMRS Phase II development. A summary of the ALMRS project, including functions and timelines, follows.

On July 9, 1982 the BLM Director signed a decision document for implementation of the ALMRS project. ALMRS will be phased into all BLM states excluding Alaska by 1991. The Automated Lands and Minerals Records System focuses on:

- Supporting oil and gas needs;
- Supporting FLPMA land actions; and
- Making the Bureau's records more efficient, accessible and ultimately less expensive to maintain.

### PHASES OF ALMRS

### Phase I: Case Recordation and Program Statistics

This phase, now fully operational, accommodates most active land and mineral case types although initial emphasis is on oil and gas activity. Some modifications can be made to the remaining cases, types and data elements so that land sales, withdrawals, and other cases are included. All cases as of June 1, 1982, have been entered into the system. Phase I provides automated serial register pages and reports of case counts. It is estimated that the Bureau's present Honeywell system in Denver will include some 250,000 oil and gas and other cases by December 1983. Phase I is being implemented on a Bureauwide basis. Data entry for all oil and gas cases will be completed by the end of FY 1983, and all other cases by the end of FY 1984.

### Phase II: Case Processing with Land Description and Status Data

Phase II will be piloted in New Mexico and Arizona in FY 1984 and FY 1985 and subsequently phased into Bureauwide implementation two to three states per year until fully implemented by 1991.

This phase includes entry of all relevant land area description data (survey) and existing cases affecting the current status of Federal land and mineral rights. This includes approximately 46,000 townships which contain land where the Federal Government has either surface or subsurface rights in the lower 48 states. It is anticipated that this caseload would be fully automated by FY 1991. Implementation of Phase II continues the features and benefits of Phase I and adds the capability to:

- Validate legal land description data in new case applications;
- Assist adjudication by automatically adjusting total acres in cases as land availability is determined;
- Provide more comprehensive reporting; and
- Retire the Historical Index as townships are automated and brought "on line."

## Phase III: Case Processing with Geographic Coordinate Positions and Plat Graphics

Phase III is distinguished by automation of geographic coordination position data for legal land description boundaries. This provides for additional automation of adjudication processing and visual displays of complete or selected status now shown on the master title plats, use plats, and tract book plats. This requires entry of coordinates for points on perimeters of land description areas and integration with land status data via legal land description. Additional equipment will be needed in field offices to update land description boundary data and, in turn, the coordinates necessary to retrieve and display status plats on graphic computer terminal screens, screen copiers, and plotters. Products added to Phase II include automated and master title use plats and other map overlays needed for case processing and adjudication. There will be capability to interface with other agencies and the private sector. New or modified computer and telecommunication systems will be needed to properly support Phase III implementation. It is estimated that Phase III will be piloted in FY 1985 and 1986 and phased into the Bureau in the same way as Phase II.

Upon full implementation of Phase III in FY 1991, ALMRS will be fully operational, and all elements of the manual record system could be retired from daily service and maintenance.

## MAINTENANCE AND ENGINEERING SERVICES

Question: As I understand your table on page 156, all maintenance activities (roads, buildings, recreation sites, etc.,) are being reduced in FY 84 but your engineering services function is being increased by $187,000 (+20%) and by two FTE. Why are you reducing funds for maintenance a total of $1,250,000 and then requesting an increase of $187,000 for "ensuring that maintenance funding is targeted at the highest priority projects"? It seems to me that it would be better, more responsible management to increase maintenance funds and hold the number of planners and engineers constant. Please provide a detailed (state by state) list of what impact this reduction in maintenance funds will have and an incremental analysis of targeting needs to justify the additional accuracy that two FTE would provide.

Answer: Proposed maintenance funding has been reduced in all three program areas by postponing some maintenance work to future years. The two additional FTE will be targeted for:

- Increasing condition surveys where the possibility of deterioration is the greatest, i.e., buildings and bridges;
- Targeting maintenance to those high priority needs identified by the condition surveys; and
- Initiating the first steps in developing a Maintenance Project Evaluation and Tracking System that will allow BLM managers to maintain facilities at the lowest cost over the life of the structure. This system will allow BLM to enter a "cyclic" and "preventive" maintenance mode instead of just "fixing it after it breaks."

Reducing maintenance funds by $1,250,000 is estimated to have the following impact:

| Subactivity | Change from FY 1983-84 |
|---|---|
| Building Maintenance | |
| Parking & Storage (sq. ft.) | -40,000 |
| Energy Conservation (buildings) | -21 |
| Recreation Maintenance | |
| Undeveloped Sites (family units) | -1,000 |
| Transportation Maintenance | |
| Roads Surfaced (mi) | -144 |
| Roads Graded (mi) | -2,080 |
| Trails (mi) | -462 |
| Bridges(#) | -15 |

The detailed information on how these estimates will affect individual states has not yet been developed. The above estimates are based upon Bureauwide totals. The reductions in the states will be based on conditions in each State.

## GENERAL ADMINISTRATION

Question: Your general administration account is being adjusted upwards $6,893,000 (+9%) from FY 1983 appropriations to date to the FY 1984 base. Additionally, you are requesting $4,957,000 in increases above the base (p. 165). Part of the increase is, again, related to additional land sales. What are the other increases for (p. 175)?

Answer: The proposed increase of $4,957,000 above the base includes $1,923,000 for administrative services and support and $3,034,000 for fixed costs.

The proposed increase of $1,923,000 for administrative services and support is composed of:

- $1,232,000 for the procurement and property management workload, including $1,000,000 associated with contracting support for the accelerated land sale program;
- $558,000 for personnel services, training, and safety, which includes $508,000 for personnel costs and $50,000 to cover the estimated increased cost of the PAY/PERS data system, a Departmental payroll - personnel management data system which the Bureau uses for payrolling its employees and keeping personnel management data; and
- $133,000 for financial management services, which includes $108,000 for personnel costs and $25,000 for the estimated increase in contract costs for reproducing the monthly financial management report microfiche.

The proposed increase of $3,034,000 for fixed costs includes:

- A reduction of $578,000 in space rental costs as a result of a net decrease in office space required when BLM and the former MMS organizations are moved into combined office space;
- An increase of $1,368,000 for general purpose wire communications (telephone) resulting from increased tariff rates;
- An increase of $1,506,000 for household moves associated with transfer of duty stations;
- An increase of $370,000 for mail and postal service to cover average annual increases; and
- An increase of $368,000 to cover the estimated increase in the Departmental assessment made for consolidated services at the Main Interior building.

Question: You are proposing an increase of $3,034,000 over the FY 1984 base (+8%) for bureauwide fixed costs, such as telephones, moving costs for employees, mail, etc. (p. 177). What would be the impact of a 10% reduction?

Answer: The 10% reduction would have to be taken from transfer of duty station moving costs since this is the only fixed cost item that is totally controllable in the short-run by BLM. The reduction would result in a delay of the final implementation of the BLM/MMS organizational merger, which would nullify a portion of the savings estimated in space rental costs, delay implementation of new, more effective and responsive onshore minerals operation procedures, and reduce other benefits associated with the merger.

Question: Why do employee moving costs increase 64% from FY 1983 to FY 1984?

Answer: The proposed increase of $1,506,000 in moving costs includes $711,000 for additional transfer and moving costs allowed by a change in GSA regulations and $795,000 to cover one-time costs associated with the BLM/MMS merger and consolidation.

On October 8, 1982, GSA published new regulations governing transfers and household moves which became effective on October 1, 1982. These regulations allow much more liberal moving allowances, which will increase the base level estimate by approximately $711,000.

The BLM/MMS merger will add approximately 782 FTE's to BLM. The merger of the onshore minerals program responsibilities into BLM will require organizational realignments at both the field and headquarters levels, along with decentralization of some functions from regional to district office levels. This will require moving some BLM and MMS personnel into new locations. The $795,000 increase in the FY 1984 Estimate is the amount needed to meet consolidation schedules.

## PAYMENTS IN LIEU OF TAXES

Question: Do you have language that would resolve the situation if it were included in the FY 1984 Appropriations Bill? Would you prepare such language for the Committee?

Answer: Subsequent to the hearing, S.966 was introduced into the Senate. The proposed bill contains language which would resolve the issue, if enacted.

## OREGON AND CALIFORNIA GRANT LANDS

Question: You have proposed a reduction of $7,827,000 (-14%) for the Oregon and California Grant Lands (O&C) (p. 244). The primary component of this reduction is in timber management, which is proposed for a reduction of $6,776,000 (-34%). Why do you propose such a large reduction (p. 269)?

Answer: The proposed net reduction of $6,776,000 in O&C timber management funding will be achieved through:

- A $393,000 savings in the BLM program made possible by the reduction of 51 million board feet to be offered in new timber sales; and
- A $7,169,000 transfer from the BLM appropriation to the FS appropriation is not necessary in FY 1984 due to the funding strategy agreed on between BLM and the FS which would require the FS to justify its O&C request in its own appropriation.

Question: The Committee provided all funding for the O&C lands in FY 1983 to BLM and BLM was to allocate that amount between the FS and itself in the following manner: FS — $9.4 million; BLM — $47.6 million; total $57.0 million. However, for FY 1984, we understand that BLM has not included funds for the FS in its FY 1984 Estimate. Do you disagree with the position that the Committee took last year by providing a unified funding approach? If you feel that BLM should only request funds needed to administer O&C lands for which it has responsibility, then why do you still propose to transfer $2,655,000 to the FS in FY 1984? We are having a difficult time determining what the logical distinction is between providing the FS $2,655,000 and providing the FS $9,384,000 (p. 305).

Answer: Yes, we do disagree. It is the position of the BLM, and the FS has agreed, that the O&C funding approach should be to place in each agency:

- All funds required for the management of the O&C lands under its jurisdiction; and
- Responsibility for the development and justification of its own O&C budget.

Background

Since FY 1952, a portion of the receipts appropriated to BLM for the management of O&C lands has been transferred to the FS for activities on the O&C lands it manages as part of the National Forest System. Originally, the transferred funds were used primarily for road construction. In the mid-seventies, however, a shift toward other broader uses occurred.

Determinations of the amounts to be transferred have been made by informal coordination at both the field level (FS Region 6 and BLM's Oregon State Office) and at headquarters. At times, however, this coordination has broken down (most significantly, perhaps, in FY 1982, when FS funding was virtually eliminated in the March 1981 budget revisions). Further, the nature of the issue -- determining budget priorities between two agencies -- makes it difficult for both agencies to be completely satisfied with the process.

In FY 1983, perhaps as a result of interest awakened by an FY 1982 reprogramming to modify the FS funding, the appropriations committee recommended major changes in the funding allocations. The conference committee agreed to a $9.4 million level for the FS, more than triple the level of the previous year. The conference committee also indicated that the FY 1984 budget justifications should "fully discuss the allocation of funding and responsibility between the two agencies."

Proposed funding in the President's budget for FY 1984 is as follows:

($000)

|  | FY 1983 Enacted | FY 1984 Proposed | Change |
|---|---|---|---|
| BLM | 47,579 | 46,481 | -1,098 |
| FS | 9,384 | 2,655 | -6,729 |
| Total | 56,963 | 49,136 | -7,827 |

The reduction in FS funding results from a return to the pre-1983 position that most funding will come from regular FS appropriations. Because budget decisions for FY 1984 were already final by the time FY 1983 appropriations were made, no attempt was made to adjust the FY 1984 request to conform to the FY 1983 action.

Disadvantages of the FY 1983 Approach

The current approach of appropriating all funds to BLM and then transferring a portion to the FS has several disadvantages. Among these are:

(1) An apparent underlying assumption that the O&C lands are managed as a unit. In fact, management of the O&C lands by the FS has been fully integrated into management of the adjoining National FS lands since 1954 as a result of the P.L. 83-426, dated June 24, 1954. The FS O&C lands are a virtually indistinguishable part of the National Forest in which they are located. Management of O&C lands under BLM jurisdiction is totally separate from those under the FS. BLM-managed O&C lands are different in character from FS O&C lands, most distinguishable because of the "checkerboard" pattern of the BLM O&C with intermingled, alternate sections of privately owned lands. The FS O&C lands are better blocked

within the National Forests, alternately with National Forest System sections.

(2) An inherent difficulty in making appropriate "trade-offs" in allocating total available funding between the two agencies. Even with the best of coordination, agreement cannot always be reached.

(3) Risk of friction or disagreement, as was the case in FY 1982.

(4) Placing BLM in the position of justifying FS funding requests and defending them before the committees.

Land ownership maps clearly show that O&C lands are logically managed by each agency as a part of their own program operations -- not as a single, cross-agency unit. Separate appropriations will:

- Reduce coordination requirements;
- Allow each agency to make trade-offs within its own funding totals;
- Require each agency to justify its own funding needs; and
- Permit more cohesive review of total FS requirements and BLM requirements by the committees, OMB, and the Secretaries of Interior and Agriculture.

Proposed Approach

The BLM and FS proposal would transfer the $2,655,000 that is in BLM's FY 1984 O&C budget request, for the Forest Service, to the Forest Service, leaving only funds for management of BLM-administered land in the BLM O&C account. The FS could identify and justify the level of funding it needs to manage its O&C lands within the National Forest System.

## O&C LAND USE PLANNING

Question: What is the status of land management planning for the O&C and Coos Bay Wagon Road lands?

Answer: Land management planning for the O&C and Coos Bay Wagon Road (CBWR) lands is almost completed. The Record of Decision (ROD) on the Timber Management Plan for the Coos Bay District is due on May 1, 1983. The Draft Record of Decision (DROD) for Westside Salem and the Final Environmental Impact Statement (FEIS) for Eastside Salem, Eugene, and Roseburg (within O&C lands) should be issued by the end of May. This will complete the current land use planning cycle on O&C and CBWR lands.

## O&C ALLOWABLE CUT

Question: Will the current allowable cut level of 1.1 billion board feet be maintained?

Answer: Yes. We expect that the new planning updates and new policies with the full implementation of all proposed intensive forest management practices will allow an increase in the allowable cut level to 1.2 billion board feet annually.

Question: Does the Committee need to add funds for TSI or reforestation or other management practices that would have the effect of increasing the allowable cut level?

Answer: The amount requested is sufficient to sell 1.1 billion board feet (bbf), which should be adequate to meet market needs.

## FIR PROGRAM

Question: Does BLM intend to continue its FIR research program in FY 1984? At what level (p. 279)?

Answer: Yes, the program will be continued in FY 1984. BLM will provide $1,300,000 for its share of the Forestry Intensified Research (FIR) program as follows: $300,000 to Oregon State University for the Adaptive Phase, which consists of 15 research studies concerning reforestation practices, young stand management and technology transfer; $720,000 to the Forest Service for the Fundamental Phase, which consists of 38 studies concerning reforestation practices, site classification, forest ecology, young stand management, genetics, economics, and environmental quality; $70,000 to BLM for Program Management, which consists of oversight and review of the research being conducted; and $210,000 to BLM for Field Trials to test research findings.

## BOISE INTERAGENCY FIRE CENTER STAFFING AND FUNDING

Question: Please provide for the record a complete funding and staffing summary by agency for the Boise Interagency Fire Center (BIFC).

Answer: Funding and staffing summaries for appropriated and emergency funds in FY 1983 are as follows:

Appropriated Funds

| Agency | Funding ($000) | FTE |
|---|---|---|
| BLM | 1,729 | 58 |
| FS | 1,000 | 4 |
| BIA | 150 | - |
| NPS | 5 | - |
| FWS | 10 | - |
| Weather Service | 36 | - |
| Totals | 2,930 | 62 |

Emergency Funds 1/

| Agency | Funding ($000) Presuppression | Suppression | Total | FTE |
|---|---|---|---|---|
| BLM | 1,700 | 12,000 | 13,700 | 92 |
| FS | - | 2,000 | 2,000 | - |
| BIA | 20 | - | 20 | - |
| NPS | - | - | - | - |
| FWS | 50 | 100 | 150 | - |
| Weather Service | - | - | - | - |
| Totals | 1,770 | 14,100 | 15,870 | 92 |

1/ The amount of funding for suppression depends upon the severity of the fire season. The amounts shown are estimates for an average year.

## O&C PLANNING

Question: Planning for O&C lands is to be reduced from $247,000 in FY 1983 to $97,000 in FY 1984. Are there any plans in process in FY 1984 that need to have work continued (p. 295)?

Answer: No plans are expected to be in progress in FY 1984 on O&C lands. There is a possibility that some clean-up work related to Records of Decision may take place in FY 1984.

## WILD HORSE AND BURRO STUDIES

Question: Please provide for the record the results of previous wild horse and burro studies (other than the recent National Academy of Sciences study).

Answer: Following is a summary of the five research projects conducted outside the scope of the NAS, with the major conclusions of each. The final NAS report was provided to the Congress in January of this year.

1. Eastern Montana College Contract

A. Project - "Investigations of Reproductive and Chemical Fertility Control in Wild Horses"

B. Status

(1) Final report filed September 22, 1981

(2) Funds expended for full performance by Eastern Montana College = $162,321.15.

C. Final report objective. Test the effectiveness of microencapsulated testosterone and synthetic estrogen quinestrol as antifertility drugs in wild stallions.

D. Final report conclusions. Microencapsulated testosterone as a long-acting injectable steriod can provide effective and reversible fertility control. The cost is reasonable and it is a time-efficient system for management. Data collected on synthetic estrogen quinestrol was inconclusive due to problems encountered during administration of the drug.

2. Washington State University Contract

A. Project - "Evaluation of Chemical Restraint Methods for Potential Use in Wild and Free-Roaming Horses"

B. Status

(1) Final report filed February 1981

(2) Funds expended for full performance by Washington State University - $140,080.05.

C. Final report objective. Evaluate the use of drugs and drug combinations for chemical capture and restraint of wild horses.

D. Final conclusion. Several skeletal muscle relaxants and sedative analgesics were tested. It was concluded that many drugs are effective when administered intravenously, but are not absorbed from intramuscular sites at rates that are adequate for capture work. Of the drugs tested, succinylcholine appears to be the most effective under a variety of conditions and for a variety of purposes.

3. Arizona State University Contract

A. Project - "The Peregrinations and Behavior of Feral Burros (Equus asinus) Which Affect Their Distribution Area and Population Size in the Havasu Resource Area, Colorado River Valley, California-Arizona"

B. Status

(1) Final report filed July 1977

(2) Funds expended for Arizona State University full performance = $81,785.

(3) This contract was originally in effect from January 1, 1974, through June 30, 1974; renewed for the period July 1, 1974, through June 30, 1975; renewed for the period July 1, 1975, through September 30, 1976; and finally continued from October 1, 1976, to September 30, 1977.

C. Final report objectives

(1) Collect data relative to population dynamics of the wild burro population.

(2) Determine the distribution and movement patterns of wild burros, bighorn sheep, mule deer, and, where applicable, domestic cattle.

(3) Identify any direct competition among animal species and/or behavioral responses of one species to the presence of other species at water sources.

D. Final report conclusions

(1) Water and food availability appear to be the primary factors in dictating movement patterns in burros. The health of the burro population in the Havasu Resource Area is excellent.

(2) Chemehuevi Mountains study

(a) Chemehuevi Mountains burro habitat use is strongly influenced by forb availability and ambient temperatures. In the cooler months, burros preferred grazing wherever cured annuals were available. Large washes were utilized in the warmer months. Shrubs formed a major portion of the diet throughout the summer and early fall.

(b) Territoriality, if displayed by a jack, does not manifest itself until the animal is about 4 years old. Territory boundaries were not marked by dung piles. There is not a true herd, per se, in burros. The only stable group is the jenny and her foal, and this bond weakens as the foal reaches 10 to 12 months of age. Young bachelor jacks (1 to 3 years old) frequently form loose herds for a period. Population estimate for the Chemehuevi Mountains is from 70 to 90 animals.

(c) Foaling was found to occur year-round. A jenny may produce a foal every 13 months. Foals born in the study area stayed in the study area.

(d) It appears that jennies live from 11 to 12 years, and jacks have an average life span to 12 to 14 years.

(e) It was recommended that the burro population in this area be maintained between 30 to 50 animals, providing a viable population and insuring some protection to the vegetation and population should there be an extended drought.

(3) Bill Williams Mountains study

(a) Bill Williams Mountains burro population seasonal movements were similar to burro movements described earlier. Desert Bighorn Sheep showed similar movement patterns, but the timing was different. Watering occurred primarily in daylight hours, away from where the burros watered.

(b) Burros used washes more than sheep, and rugged talus terrian and mesas were used more by sheep than burros. Of 10 plant species used most heavily by burros and sheep, 6 were common in the diet of both animal species. Population overlap was divided into 3 seasons. From June through October burros overlapped the distribution of sheep by 65 percent, November through March by 100 percent, and April through June by 85 percent.

(c) Competition for water between burros and sheep was not observed and probably does not occur. Burros and Desert Bighorn Sheep were seen in close proximity to one another on several occasions; however, no aggressive actions were ever observed. The carrying capacity of burros in the Bill Williams Mountains appears to have been exceeded. In this area, there is heavy overlap in distribution of burros and sheep, moderate overlap in habitat use, and moderate overlap in diets. This report does not provide data on the subject of burros being competitively superior to Desert Bighorn Sheep.

(d) It was recommended that BLM reduce the Bill Williams burro population to zero.

4. Sensory Systems Laboratory Ltd. Contract

A. Project - "Wild Horse Telemetry Study: a program directed toward development of permanent digital identity inventory methods for unrestrained wild horses"; "Bioinstrumentation Attachment to Wild Horses"

B. Status

(1) Final report filed October 8, 1981

(2) Funding expended for Sensory Laboratory Ltd. full performance = $10,000.

C. Final report objective. Develop a method of attaching telemetry devices to wild horses for long-term study.

D. Final report conclusion. The initial approach made use of small flexible ear tags. It was concluded that no form of ear tag would be successful. The next approach focused on flexible plastic collars. Though the material itself was exceptionally strong, its elastic properties resulted in negative tests. Finally, a leather collar reinforced with shaped metal and featuring an adjustable under-the-neck fastener was designed. Test results were encouraging. The collar retention was good and general durability was excellent.

5. Eastern Oregon Agricultural Research Center Contract (affiliated with Oregon State University)

A. Project - "Fecal Analysis Study"

B. Status

Final report filed on March 10, 1983

C. Final report conclusions.

(1) Spatial and habitat interactions of wild horses, deer, cattle and bighorn sheep were examined on the Three Fingers wild horse management area in southeastern Oregon. Rangelands were generally in poor ecologic condition in lowland areas due to historical overgrazing by large numbers of wild horses and past seasonal livestock use. High condition areas were on steep slopes or on high ground surrounded by steep slopes.

(2) Wild horse home range ellipses averaged 28.3 and 25.8 km for bands and studs, respectively. Horses were quite faithful to their ranges.

(3) Examination of cattle, horse, deer, and bighorn slope use patterns found their upper limits of casual slope use to be 19 percent, 29 percent, 39 percent, and unlimited, respectively. These limits provide some potential for spatial separation. Bighorn sightings were primarily in communities in high ecological condition (74%) while 73, 75, and 95 percent of deer, horse, and cattle sightings were in low ecological condition communities. Deer and bighorn had the greatest opportunity for spatial overlap in the Leslie Gulch area; however, the bighorn's willingness to navigate nearly any terrain leaves much of their habitat for their exclusive use.

(4) Should wild horses pose any competitive or range degradation threats, removal of the offending animals would probably assure nonuse of the area for some time until immigration from other herds occurred.

Question: Provide for the record a comparative summary of the results of these studies to the NAS conclusions.

Answer: The important findings and conclusions of the five pre-NAS research projects completed by September 1982 were incorporated into the NAS final report and were analyzed there with respect to their bearing on the committee's management recommendations.

a. The work done by Dr. J.F. Kirkpatrick, et al., at Eastern Montana College on chemical fertility control in free-roaming horses is analyzed in pages 48-52 of the NAS report. Stud sterilization is dismissed as having too many complicating or undesired features to be recommended at present, among them are:

- The method presupposes breeding only by a dominant stallion in each band, which is rarely the case;
- Interchange of animals (both mares and stallions) among bands negates the value of treating a portion of a herd's stallions; and
- Sterilization of the dominant males effectively blocks gene flow from the genetically superior animals.

Mare sterilization is discussed by the NAS committee as being feasible but requires more work to test the efficacy of alternative methods. Long-term (more than 1 year) treatments which are implantable are given the best chance of success.

b. The work by Dr. R.E. Borchard (Washington State University) on chemical restraint and immobilization of horses is discussed on pages 48-50 of the final NAS report. Dr. Borchard indicated that succinylcholine had been found to be an effective immobilizing agent for horses under a variety of conditions (open range or confined). However, the NAS recommends against its use due to high death rates in animals which had been immobilized with succinylcholine.

The NAS committee recommends instead the use of Etorphine in combination with various tranquilizers to accomplish field immobilization. Experimentation on use of this drug was conducted in conjunction with the NAS-sponsored research projects on census (Dr. Siniff) and demography (Dr. Wolfe).

c. Dr. Robert Ohmart of Arizona State University studied the movements and behavior of burro populations in Arizona and California and their interrelationships with bighorn sheep on these ranges. The NAS report refers to this work on pages 38 and 39 and comes to a less strong conclusion regarding inter-specific competition and the appropriate management response.

Dr. Ohmart concluded that a high degree of competitive overlap existed on one of the areas he studied (Bill Williams Mountains) and that it could lead to the elimination of the desert bighorn. He recommended total elimination of the burro population on this basis. The NAS committee contends, on the other hand, that where competition between these two species exists, its resolution must take into account public attitudes and preferences before one species or the other can be deemed to be in biological excess (see page 3, point 21).

d. Sensory Systems Laboratory, Ltd., worked on the development of permanent radio-telemetry identification of wild horses for long-term study purposes. A small ear-mounted transmitter was tested and found to be unsatisfactory; various neck collars were then evaluated. The contractor recommended use of a leather collar with an adjustable fastener.

This work was not referred to or analyzed by the NAS committee in its final report. However, it recommended continuation of the census-related research conducted by Dr. D. Siniff, University of Minnesota, in which radio-collared horses were used to evaluate the precision of various kinds of aerial inventory.

e. The work by the Eastern Oregon Agricultural Research Center on fecal analysis was not completed in time for review by the NAS committee (final report received in March 1983).

## QUESTIONS SUBMITTED BY SENATOR JAKE GARN AND SENATOR ORRIN HATCH

### LIVESTOCK GRAZING REDUCTIONS IN UTAH

Question: It has recently come to our attention that livestock AUM reductions in Utah represent a 51% decrease since 1960 on BLM lands in the State of Utah. This figure is nearly double the reduced animal unit months of any other state in the nation. We believe these reductions to be blatently unfair and unjustified. We request BLM to fully explain the reasons and justifications for this unprecedented action in Utah as quickly as possible.

| State | Percentage Reduction in Livestock AUMs (1960-78) |
|---|---|
| Arizona | - 29 percent |
| California | - 26 percent |
| Colorado | - 36 percent |
| Idaho | - 2 percent |
| Montana | - 27 percent |
| Nevada | - 17 percent |
| New Mexico | - 24 percent |
| Oregon | - 13 percent |
| Utah | - 51 percent |
| Wyoming | - 23 percent |

Source: U.S. Department of Interior, Bureau of Land Management, Public Land Statistics (1960-78).

Answer: We have researched the issues raised in your question and find that many factors contributed to the reduction in livestock use on public lands in Utah during the period 1960 to 1980. These factors generally fall into four major categories: land disposals, range adjudication/livestock reductions, declining sheep operations, and voluntary non-use. Each of these categories is described in detail below.

1. Land Disposal or Transfer

A significant amount of land in Utah was transferred out of Federal ownership or from the jurisdiction of BLM during 1960 to 1980 as shown on the following table:

| Disposal Type/Action | Acres Patented/Transferred |
|---|---|
| State School Grants | 4,147,811 |
| State In-Lieu Grants | 422,733 |
| Other State Grants | 3,754 |
| Homesteads | 12,864 |
| Desert Land Entries | 10,984 |
| Public Sales | 31,304 |
| Mining Laws | 1,890 |
| Small Tracts | 750 |
| Recreation & Public Purposes | 31,068 |
| Canyonlands National Park | 337,268 |
| Arches National Park Expansion | 48,943 |
| Dinosaur National Monument Expansion | 37,252 |
| Military Withdrawals | 407,720 |
| Total | 5,494,341 |

Virtually all of these lands had been grazed to some extent, and many grazing permits were adjusted downward as a result of the transfers. Assuming that these lands were similar to other Utah lands that were not transferred, this would account for approximately 20 of the 51 percent total reduction noted. It should be noted that livestock grazing has actually been eliminated on only 15 percent of the 5,494,341 acres. Most of the rest is still being grazed under state or private ownership.

2. Range Adjudication/Livestock Reductions

In the mid 1950's through the early 1960's the BLM undertook a bureau-wide range adjudication program. Prior to that time many permittees were licensed in large common use areas, and many cases of overgrazing occurred because they were not assigned responsibility for a specific range area. Through the adjudication process, BLM, assisted by District Grazing Advisory Boards, established allotments (clearly delineated grazing areas), determined season of grazing use, and set grazing capacities. This resulted in some fairly heavy reductions of AUM's in some areas. Many of these reductions were made because of inflated livestock numbers for Priority Years submitted by ranchers after the passage of the Taylor Grazing Act in 1934 to establish their grazing preferences. In many instances the numbers submitted significantly exceeded the actual number of animals run. In one specific case in southeastern Utah, a permit was reduced by 35,800 AUM's, but actual numbers were not affected. While we have no specific evidence that this type of situation occurred more frequently in Utah than in the surrounding states, we believe that it is a major factor contributing to the higher reductions.

During the same period of time that BLM was completing its range adjudication, the U.S. Forest Service was also reducing many of its grazing permits in Utah. This had the effect of making the summer range (usually that associated with the FS permit) the limiting factor in a year-round livestock operation; thus, an operator could not make full use of his established grazing preference on BLM lands.

Additionally, this was a period of high recreational development in both Utah and Colorado which resulted in the loss of base property (the property on which the grazing permit is based) through private land transactions. This loss caused a reduction in the affected grazing permit proportional to the lost acreage. At one time many Colorado-based operators maintained winter sheep operations in Utah, but loss of the Colorado property by sale for recreational development also curtailed their grazing operations in Utah.

Recently, changes in livestock numbers as a result of the court-ordered grazing EIS process has resulted in some small reductions as reflected on the following table:

| Date of EIS | EIS Area | Number of Allotments | Remarks |
|---|---|---|---|
| 1979 | Hot Desert | 32 | A total decrease of 2,366 AUM's. Four allotments also received an increase of 191 AUM's. |
| 1980 | Parker Mountain | 15 | A decrease of 1,116 AUM's. A total of 153 AUM's were reduced by agreement on 6 allotments, and 963 AUM's were reduced on 9 allotments by decision. In addition, an agreement was reached on one allotment to take 701 AUM's of non-use until range improvements restored grazing capacity. |
| 1980 | Randolph | 2 | Voluntary non-use was taken on 2 allotments ranging from 7% to 10% for 4 years. |
| 1980 | 3 Corners | — | No adjustments were necessary. |
| 1981 | Mountain Valley | 25 | A decrease of 8,964 AUM's. A total of 3,432 AUM's were reduced by agreement on 5 allotments and 5,532 by decision on 20 allotments. In addition, 4 allotments received increases of 260 AUM's. |
| 1981 | Kanab Escalante | 108 | A decrease of 15,267 AUM's. All of these reductions were agreed to voluntarily and followed up by formal decisions. In addition, 11 allotments received an increase of 151 AUM's. |
| 1981 | Price River, Pinyon Ashley, and Henry Mountain. | — | No adjustments have been made on these EIS areas to date. |
|  | Total for EIS process |  | In total for the EIS process, decreases of 27,713 AUM's were made (and increases of 602 AUM's were made) for a net decrease of 27,111 AUM's. In addition, agreement was reached for 701 AUM's of voluntary non-use. |

These two major categories, Land Disposals/Transfers and Range Adjustment/Livestock Reductions, account for the change in preference (the allowable level of livestock use) between 1960 and 1980. Those changes are displayed below:

Preference (in AUM's)

| | 1960 | 1970 | 1980 |
|---|---|---|---|
| Cattle & Horses | 1,133,069 | 801,374 | 845,939 |
| Sheep & Goats | 1,210,924 | 701,659 | 419,757 |
| Total | 2,343,993 | 1,503,033 | 1,265,696 |
| Percent of 1960 | 100% | 64% | 54% |

Thus the levels of livestock preference have been reduced by 46 percent in the twenty-year period. Most of this reduction occurred between 1960 and 1970, and a large percentage (35-45%) was due to the transfer of lands from the jurisdiction of BLM.

3. Declining Sheep Numbers

However, the reduction in preference levels is only part of the picture in looking at the reduced livestock numbers over the past 20 years. The second part of the picture is Licensed or Permitted Use (the amount of livestock use actually paid for). The changes in licensed use are displayed below:

Licensed or Permitted Use (in AUM's)

| | 1960 | 1970 | 1980 |
|---|---|---|---|
| Cattle & Horses | 810,569 | 643,418 | 564,025 |
| Sheep & Goats | 948,897 | 550,307 | 249,575 |
| Total | 1,759,466 | 1,193,725 | 813,600 |
| Percent of 1960 | 100% | 68% | 46% |

While the reductions appear to be greater in Utah than in the surrounding states, we believe a major factor is that Utah had substantially more sheep in 1960 than other states. This is compounded by the fact that much of Utah is more suitable for grazing by sheep, especially winter sheep, than cattle due to topography and lack of water. Thus, the steep decline in sheep numbers is probably the greatest single factor affecting the livestock use level even though reductions were made in the 1960's for loss of public land and overobligation of forage.

Utah agricultural statistics indicate that Utah had 1,336,000 head of sheep in 1960. In 1980 the number had fallen over 62 percent to 507,000 head. Factors that led to this decline were largely predator problems and the lack of labor, with the loss of grazing preference as a relatively minor factor. Many of the sheep operations simply went out of business and were not replaced. Many others were changed to cattle grazing resulting in fairly large reductions in AUM's licensed due to the unsuitable range conditions for cattle.

4. Voluntary Non-Use

It is also well known but not well documented, that most operators paid for their full permitted numbers during the period of low grazing fees, regardless of their actual use. During 1960 when grazing fees were $.22/AUM, and 1961-62 when they dropped to $.19/AUM, many operators never considered non-use. As the fees started to rise in 1971 to $.64/AUM and to $2.36/AUM in 1980 there was a greater tendency to apply for non-use or even take a voluntary reduction.

Currently many winter sheep operations are voluntarily taking 50 percent non-use every year. The grazing statistics for 1980 indicate that Utah had the highest percent of voluntary non-use of the surrounding states.

Voluntary non-use ran 36 percent for Utah, 24 percent for Nevada, 23 percent for Wyoming, 23 percent for Idaho, and 32 percent for Colorado. Actual licensed use in 1980 is only 67 percent of preference for cattle and 59 percent of preference for sheep. This means nearly a half million AUM's were available but not used. This clearly indicates that BLM policies and practices are not the sole cause of the decline in livestock numbers on the public lands.

In conclusion, we feel that even though Utah has experienced a higher actual reduction than other states, the cause is not all attributable to BLM actions. The reductions made by BLM were justified, and Utah has not been singled out for unfair treatment.

## SUBCOMMITTEE RECESS

Senator McClure. We will stand in recess until Wednesday, March 23, at 2 p.m., at which time we will receive the fiscal year 1984 budget estimates for the Pennsylvania Avenue Development Corporation and the Smithsonian Institution.

Thank you.

[Whereupon, at 3:35 p.m., Tuesday, March 22, the subcommittee was recessed, to reconvene at 2 p.m., Wednesday, March 23.]

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